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3624 ⁰³
6-12-2**PATENTS****IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Tara Kimbrell Cole

Docket: GTF-1

Serial No. 10/052,419

Group Art Unit:

Filed: January 18, 2002

Examiner:

For: FORFAITING TRANSACTIONS

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JUN 07 2002

GROUP 3600Hon. Commissioner for Patents
Washington, D. C. 20231600 Third Avenue
New York, NY 10016
April 30, 2002**RECEIVED**

MAY 09 2002

Technology Center 2100

CLAIM OF FOREIGN PRIORITY

SIR:

Applicant claims priority under 35 USC 119 of its prior filed Australian Patent Application No. PR9695 filed December 20, 2001.

A certified copy of this application is enclosed herewith.

It is noted that the Declaration as filed in this case made reference to the priority but failed to recite the application number. Enclosed is a substitute declaration with the completed priority data.

It is also noted that this claim of priority is made within four months of the actual U.S. filing and within 16 months of the priority date.

Respectfully submitted,
BIERMAN, MUSERLIAN AND LUCAS

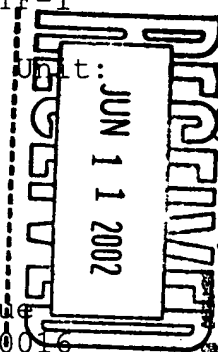
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By Donald C. Lucas
Donald C. Lucas
Reg. No. 31,275



EV 068843764
Date of receipt April 30, 2002
I hereby certify that this paper or the to which it is attached is a true and correct copy of the original as filed in the United States Patent and Trademark Office in accordance with the provisions of 35 USC 1.55 and is submitted to the Commissioner of Patents and Trademarks, Washington, DC.

April 30, 2002
D. Hakonson



Patent Office
Canberra

I, JULIE BILLINGSLEY, TEAM LEADER EXAMINATION SUPPORT AND SALES hereby certify that annexed is a true copy of the Provisional specification in connection with Application No. PR 9695 for a patent by GLOBAL TRADE FINANCE NETWORK filed on 20 December 2001.

I further certify that the name of the applicant has been amended to GLOBAL TRADE FINANCE NETWORK PTE LTD pursuant to the provisions of Section 104 of the Patents Act 1990.

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MAY 09 2002

WITNESS my hand this **Technology Center 2100**
Eighth day of February 2002

JULIE BILLINGSLEY
TEAM LEADER EXAMINATION
SUPPORT AND SALES

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AUSTRALIA

Patents Act 1990

Global Trade Finance Network

PROVISIONAL SPECIFICATION

Invention Title:

Forfeiting transactions

The invention is described in the following statement:

Title**Forfaiting Transactions****Technical Field**

- 5 This invention concerns forfaiting transactions. In particular it concerns methods of operating a computerised forfaiting exchange to develop forfaiting transactions. In another aspect it concerns a computerised forfaiting exchange.

10 Background Art

Forfaiting transactions are complex and not well understood, they are easily confused with other, similar, transactions. The knowledge of how to conduct these transactions is held by few individuals within a small number of financial institutions, and as a result it is not widely available.

- 15 Forfaiting specifically addresses cross boarder trade and was designed to facilitate the export of goods to emerging markets and OECD markets. It involves an exporter who wishes to ship goods and an importer who wishes to receive them. The exporter agrees to deferred payment terms, and the importer arranges a deferred payment letter of credit with a local issuing
20 bank. The letter of credit will expire unless the goods are delivered by its expiry date. If the goods are delivered the letter of credit may be cashed at its maturity date. The local issuing bank seeks payment from the importer.

- After delivery, provided the shipping documents are accepted as in compliance with the terms of the letter of credit, and the obligation to pay is
25 accepted by the issuing bank, then the exporter has a letter of credit (trade debt receivable) which they can hold until maturity or seek to discount.

- An exporter who seeks early payment, may sell the letter of credit, say to a bank, for its net present value. The sale is 'without recourse' which means that the new owner does not look to the exporter (or any later seller)
30 for payment in the case of default, but only to the issuing bank (obligor). Since the beneficiary of the letter of credit is the exporter, it must be properly assigned, and this usually involves the execution of an acceptance of the underlying obligation between the issuing bank and the new owner. The new owner can subsequently sell the instrument again, and this may create for
35 them an opportunity to generate an arbitrage profit.

A more usual situation is that the exporter puts the entire export transaction in the hands of their bank and merely receives an agreed payment upon shipment. A negotiable instrument may arise in the hands of the exporter's bank, as a result of the export/import transaction, and be sold
 5 'without recourse'. Care has to be taken to execute the appropriate documents to ensure the exporter's bank has a viable negotiating instrument. In this case the subsequent forfaiting transactions do not involve the exporter and will generally be carried on without the exporter having any knowledge of them.

This process has a number of benefits for both exporters and importers.
 10 For the exporters, they can grant credit to foreign buyers without tying up cash flow or assuming all the risks of possible late payment or default. The exporter may also be protected against interest and currency rate movements during the credit period.

The importer deals only with its local bank. That bank is best
 15 positioned of any to assess the importer's credit risk and extract timely payment.

A '**forfaiting transaction**' is defined, in this patent, to mean the transfer of ownership of a payment obligation (asset) in which the buyer forgoes any right of recourse to the seller in the event that the obligor is unable to meet
 20 the payments required by the obligation, where the payment obligation arises directly from a bank guarantee given in the course of a specific export transaction.

Of course, fraud will negate the subsequent transactions.

An example of a forfaiting transaction is as follows:

25 A letter of credit USD 1,000,000 is purchased at an interest rate of 8% p.a. for the deferred payment period of 360 days and is discounted from the face at the time of purchase at a straight discount. The forfaiter pays USD 920,000 for the debt obligation and later sells it at 7% p.a. interest for duration of the deferred payment period, receiving USD 930,000. The
 30 forfaiter's intention is to maximize the use of funds and profitability. USD 1,000,000 turned 40 times in a period of one year, assuming the same profit margins, would generate USD 400,000 in revenue. A forfaiting operation views this as a better value proposition than utilizing its capital in the way a traditional trade finance institution does, which usually holds the trade debt
 35 on their books until maturity unless treasury adjustments are required. If one were to assume the cost of funds of a traditional lender at 3% p.a. and the

interest charged 8% p.a., the same transaction would only generate USD 50,000 in revenue. Forfaiters' interest margins (difference between buy and sell) vary dramatically on transactions depending on the size of the transaction, arbitrage and holding opportunities and other details not
 5 pertinent to this example.

It should be appreciated that Forfaiting transactions can take place in connection with other instruments as well as a letter of credit. For instance, Bills of exchange, drafts drawn under deferred payment (issuance) letters of credit, Deferred payment claims with financial guarantees, Drafts that are
 10 avalized or have another form of guarantee, Drafts and promissory notes that are naked, and any of these together with some form of credit enhancement - that is of course provided the payment obligation result directly from a specific trade or export import transaction.

15 **Summary of the Invention**

The invention is a method of operating a computerised forfaiting exchange to develop forfaiting transactions (as defined) for settlement, comprising the following steps:

20 Providing a web site accessible via the Internet to sellers and buyers using computers.

Providing a counter party selection document on request to a seller or buyer to view at the web site, where the document contains a list of classes of counter parties together with counter party selection entry facilities.

25 Permitting a seller to identify classes of buyers with whom they will, or will not, develop a forfaiting transaction, by entering selections on the counter party selection document using the counter party selection entry facilities.

Providing an offer document on request to a seller to view at the web site, where the offer document contains the following items:

30 a list of classes of asset together with asset selection entry facilities and asset information entry facilities for entry of details of the asset;
 a list of terms for the offer together with offer selection entry facilities and information entry facilities for entry of details of the offer;
 35 a list of offer documents to accompany the offer together with offer document selection entry facilities and offer document attachment facilities for attaching copies of offer documents;

a list of undertakings for the seller to make together with undertaking selection entry facilities and undertaking document attachment facilities for attaching copies of undertaking documents.

Permitting the seller to create an instance of the offer document, by:

- 5 identifying the asset to be offered by using the asset selection entry facilities and asset information entry facilities;
- identifying the terms for the offer by using the offer selection entry facilities and offer information entry facilities;
- 10 identifying the offer documents to accompany the offer by using the offer document selection entry facilities and offer document attachment facilities;
- identifying the undertakings to be made by using the undertaking selection entry facilities and undertaking document attachment facilities.

- 15 Permitting the seller to submit an instance of the offer document, so that it becomes available to view by potential buyers from only the classes of buyers identified as being those with whom the seller will develop the transaction.

- 20 Providing a counter offer document on request to a buyer after they have viewed an offer document, where the counter offer document contains counter offer selection and counter offer information entry facilities for entry of variations to an offer document instance;

- Permitting the buyer to create an instance of the counter offer document by entering selections and information using the counter offer selection and information entry facilities, and to submit the counter offer instance, so that it becomes available to the seller;
- 25

- Providing a counter offer document on request to any party after they have viewed an instance of a counter offer document, where the counter offer document contains counter offer selection and information entry facilities for entry of variations;
- 30

Permitting the party to create an instance of the counter offer document by entering selections and information using the counter offer selection and information entry facilities, and to submit the counter offer instance, so that it becomes available to the counter party;

- 35 Repeating the last two steps.

Use of the exchange enables the transactions to become accessible and reliable. The independent nature of the exchange creates a trusted medium for developing the transactions for settlement. The exchange provides a step by step process by which the transactions are developed. It may require all the necessary documents to be completed before the next step can be taken, and it may guide the process to the extent of identifying mistakes and even offering corrections. The transaction may continue until all terms are matched. Settlement may then take place at the exchange or by any other suitable means. Where a complete match is not achieved, settlement may still be achieved, say by further off-line negotiation.

The document available at the web site may contain electronic links to independent sources of financial information, this enables the parties to conveniently check financial information such as rates and the standing of the obligor without having to exit the exchange.

Links may also be provided to standardized forms of documents, such as asset defining documents used to support instances of the offer document. This enables the parties to check whether any document offered complies with the standard, and to determine any differences. The differences may be automatically flagged. It also gives the party the option of using the standard documentation or adapting the standards, which may ease the subsequent transaction.

Similarly, there may be links to standardized forms of undertaking documents. This access to standard forms and documents provides the user with confidence in the transactions.

The exchange may also provide on-line assistance in completing the process, as well as access to expertise and other sources of advice.

The exchange could operate to make forfaiting transactions available to local banks, reducing its cost and increasing the volume of forfaiting transactions.

An asset screening document may also be provided for use by potential buyers to select the types of asset they wish to view, and not view. In this way a potential buyer will only see assets that a seller wants to sell to buyers of their class, and which are of the selected types. This renders the initiation of transactions more efficient.

In a second aspect, the invention is a computerised forfaiting exchange, comprising:

A web site accessible via the Internet to sellers and buyers using computers.

5 A database associated with the web site and storing:

a counter party selection document, where the document contains a list of classes of counter parties together with counter party selection entry facilities;

10 an offer document, where the offer document contains the following items:

a list of classes of asset together with asset selection entry facilities and asset information entry facilities for entry of details of the asset,

a list of terms for the offer together with offer selection entry facilities and offer information entry facilities for entry of details of the offer,

15 a list of offer documents to accompany the offer together with offer document selection entry facilities and offer document attachment facilities for attaching copies of offer documents,

a list of undertakings for the seller to make together with undertaking selection entry facilities and undertaking document attachment

20 facilities for attaching copies of undertaking documents;

a counter offer document containing counter offer selection and information entry facilities.

A processor associated with the web site and the database and operable to retrieve a document from the database to view at the web site.

25 The processor being further operable on request either to permit the entry of selections and information to create instances of documents on-line.

The processor being further operable to permit viewing of instances of offer documents by potential buyers, depending upon the selections and entries made by the seller in counter party selection document.

30 Alternatively the processor being operable on request to print an offer document for use off-line.

In a third aspect, the invention is another method of operating a computerised forfaiting exchange to facilitate a forfaiting transaction, comprising the steps of:

35

Providing an offer document on request to a seller to view at the web site, where the offer document contains the following items:

- a list of classes of asset together with asset selection entry facilities and asset information entry facilities for entry of details of the asset,
 - 5 a link to an independent source of financial information,
 - a list of terms for the offer together with offer selection entry facilities and information entry facilities for entry of details of the offer,
 - a list of offer documents to accompany the offer together with offer document selection entry facilities and offer document attachment
 - 10 facilities for attaching copies of offer documents,
 - links to standardized forms of offer documents,
 - a list of undertakings for the seller to make together with undertaking selection entry facilities and undertaking document attachment facilities for attaching copies of undertaking documents,
 - 15 links to standardized forms of undertaking documents.
- Permitting the seller to download the offer document.

Brief Description of the Drawings

An example of the invention will now be described with reference to the accompanying drawings, in which:

Fig. 1 is a diagram of a web site map.

Fig. 2 is a diagram of the parties and the business flows when using a primary platform according to the invention.

Fig. 3 is a flow chart of the business flows of the primary platform.

25 Fig. 4 is a diagram of the parties and the business flows when using a secondary platform according to the invention.

Fig. 5 is a flow chart of the business flows of the secondary platform.

Best Modes of the Invention

30 Referring first to Fig. 1 the computerised forfaiting exchange comprises a web site having site map 10 illustrated in Fig. 1. This site map is accessible by both bankers and investors, and provides gateways into a primary platform 11 and a secondary platform 12.

The primary platform is designed to facilitate the development of
35 transactions between and exporter 21, an importer 22 and a third party purchaser 23, as illustrated in Fig. 2.

In this transaction the exporter 21 signs a sale/purchase agreement with importer 22 for goods to be imported.

The importer's bank 24 issues the deferred payment letter of credit in favour of the exporter 21. The letter of credit is sent to the exporter's advising
5 bank 25. The advising bank 25 advises the exporter of the letter of credit opening.

The exporter then delivers the goods to the importer and presents all the necessary shipping documents for draw down of the letter of credit to the advising bank 25, which in turn forwards them to the importer's bank 24 for
10 acceptance.

The importer's bank 24 accepts the shipping documents as in compliance with the terms of the letter of credit and the advising bank 25 sends a draft to the importer's bank 24 or acceptance. The exporter is the beneficiary of the draft. When the importer's bank 24 accepts the draft,
15 which is done by returning the hard copy of the draft, a payment obligation (asset) is created.

The advising bank 25 informs the exporter at this time that they own the payment obligation, and after this time they are able to assign the payment obligation, that is enter into a forfaiting contract, and the bank
20 invites them to do so.

The exporter then appoints their advising bank 25 to negotiate the sale of the asset and the negotiating bank goes out to find a third party purchaser
23.

In this example the exporter endorses the draft non-recourse to the
25 third party purchaser 23, assigns the rights under the deferred payment letter of credit to the third party purchaser and forwards them along with other documents required by the forfaiting contract to the third party purchaser.

The advising bank 25, now the negotiating bank in the forfaiting transaction, acknowledges to the third party purchaser that they have been
30 informed of the assignment. The third party purchaser reserves the right to request the negotiating bank to notify the importer's bank 24 of the assignment of the claim. In this case the negotiating bank does this. The importer's bank 24 then acknowledges their acceptance of the assignment and their obligation to pay irrevocably and directly to the third party purchaser
35 23.

Settlement then takes place between the exporter 21 and the third party purchaser 23 via the negotiating bank 25. Upon presentation, verification and acceptance of all the documents, the third party purchaser 23 wires the funds to the negotiating bank 25.

- 5 Upon maturity of the deferred payment purchaser letter of credit, the third party purchaser 23 receives the payment directly from the importer's bank 24. Of course if the third party purchaser also sells the asset, payment is made to the subsequent holder.

- 10 The primary platform 11 of the forfaiting exchange 10 facilitates this transaction by providing a number of online, interactive, multi-lingual documents and guided processes. The primary platform also provides access to information and links, such as financial information feeds like Reuters and LIBOR. There is also access to risk management information, local, regional and international trade finance news feeds, speciality bulletins, ratings, 15 uniform codes of practice, indicative rates and any software solutions tools. These live links provide up to the minute global information, guided and selective searches, and improved risk and risk management. They are generally provided as a 'pay per use' facility. Information is also provided about procedures for primary financing and underlying transaction 20 structures. Twenty four hour online or telephone assistance is also provided.

It is also possible to obtain selected information about the members registered to use the platform and their details. In fact, some of these may choose to advertise their services on the platform.

- 25 At the outset of the transaction the bank 25 informs the exporter that they own the payment obligation.

In this case the advising bank is the Singapore Bank Limited and it advises its client, the exporter's Singapore Technologies Engineering Limited (STEL) by filling in the relevant details in entry boxes of the document that follows:

30

"The Singapore Bank Ltd"
LOGO of Negotiating Bank

"The Singapore Bank Ltd", the Negotiating Bank hereby notifies
 Singapore Technologies Engineering Limited (STEL) THAT STEL has a valid claim for
 USD 17,800,000.00 on Banque Misr, Head Office, Cairo, Egypt payable in the following amounts on the
 following dates:

***DRAFT NO. 1:**

AMOUNT : USD 2,966,666.67
 MATURITY DATE: 18/10/2001
 TENOR: 181 + Days

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DRAFT NO. 2:

AMOUNT : USD 2,966,666.67
 MATURITY DATE: 18/04/2002
 TENOR: 363 + Days

DRAFT NO. 3 :

AMOUNT : USD 2,966,666.66
 MATURITY DATE: 18/10/2002
 TENOR: 546 + Days

DRAFT NO. 4 :

AMOUNT : 2,966,666.67
 MATURITY DATE: 18/04/2003
 TENOR: 728 + Days

DRAFT NO. 5:

AMOUNT : USD 2,966,666.67
 MATURITY DATE: 18/10/2003
 TENOR: 911 + Days

DRAFT NO 6:

AMOUNT : USD 2,966,666.66
 MATURITY DATE: 18/04/2004
 TENOR: 1094 + Days

The completed instance of this document is then transmitted to STEL for its records, together with the following document which STEL is invited to complete to commence a forfaiting transaction.

5 STEL is invited to indicate, by clicking the radio button below the first paragraph, whether it wishes to initiate the transaction, and if so, to complete the remainder of the document:

STEL completes the following document to instruct and authorize the bank to seek a buyer under the terms specified, and contracts with the bank for these services.

WOULD STEL LIKE TO INITIATE A TRANSACTION via "The Singapore Bank Ltd"'s PRIMARY PLATFORM Services provided by Global Trade Finance Network™ Ltd to obtain from the global market place offers at the best price, terms and conditions for financing without recourse to the Exporter?

☐ Yes ☐ No

Please complete the following.

(All L/C and corporate details known to "The Singapore Bank Ltd" have been completed by "The Singapore Bank Ltd" for STEL's convenience.)

Exporter Submission Page

Exporter Name Singapore Technologies Engineering Limited (STEL)
 Region South East Asia
 Credit Rating (If any) Moody's Aa1
 Credit reports published by
 Dun and Bradstreet
 Capital USD 501 MM
 Assets USD 2470 MM

NEGOTIATING BANK DETAILS

(Pre-formatted by Negotiating Bank)

This section is also preformatted by the Negotiating Bank ("The Singapore Bank Ltd")

Negotiating Bank Name, "The Singapore Bank Ltd", Singapore
 Head Office x
 Branch
 Subsidiary
 City, Country: Singapore, Singapore
 Region South East Asia

Singapore Technologies's (EXPORTER'S) INSTRUCTIONS & Authorization FORM:

[All fields that pertain to information the Negotiating Bank has on its files, have been completed for the convenience of STEL, the Exporter]

We, Singapore Technologies Engineering Limited (STEL), request without recourse financing for the following transaction via "The Singapore Bank Ltd"'s Primary Platform Services on Global Trade Finance Network™ Ltd
 I STEL has the capability to edit this information, should STEL wish to do so.]

Form of ASSET on offer:*

- ☒ Draft(s)/Bill(s) of Exchange drawn under Deferred payment (usance) letter of credit (s)
- ☐ Site letter of credit requiring confirmation
- ☐ Down payment on ECA (Export Credit Agency) transaction, structured for deferred payment plus:
 - Draft
 - Promissory note
 - Credit enhancement
 - Letter of credit
 - Aval
- ☐ Naked deferred payment claim:

- Draft
Promissory note
- ☐ Deferred payment claim with credit enhancement
- ☐ Deferred payment claim with financial guarantee:
- Avalized Draft
Avalized Promissory note
Draft with bank guarantee
Promissory note with guarantee

OFFER Description has been completed by the bank for the convenience of the Exporter, and appears on the Exporter's screen at the time the bank notifies the Exporter that the Exporter has a valid claim for proceeds under these documents. : *

*L/C ISSUING BANK

Banque Misr

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*BRANCH

Head office

[Credit Information](#)

*L/C AMOUNT

17,800,000.00

[Enhancement Tools](#)

*CURRENCY

US Dollar

*UNDERLYING TRANSACTION (GOODS)

machinery testing equipment

*MAXIMUM TENOR

1095 days

AFTER BILL OF LADING ☒

*DAYS remaining

1094 + days

*AVERAGE LIFE

546 + days

*Total NO. OF DRAFT(S) / BILL(S) OF EXCHANGE

6

*REPAYMENT

☒ SEMIANNUAL

☐ ANNUAL

Advising Bank

The Singapore Bank Ltd

Negotiating Bank

The Singapore Bank Ltd

Domicile of Calendar used in days calculation

Egypt

Payment Domicile

Banque Misr, Head Office, Cairo, Egypt

*Designation Of Shipment

Alexandria, Egypt

Shipment Of Origination (geographic)

Singapore

TERMS OF OFFER

* obligatory field

*Type of calculation:

(select calculator)

☐ BOND

☒ Trade Finance discount methods:

☒ DISCOUNT-TO-YIELD (DTY)

☐ Compounded annually

☒ Compounded semi-annually

☐ STRAIGHT DISCOUNT (SD)

Interest rate to be discounted
(Price):

(Select one)

☒ *Guideline

(or)

☐ *Offered

(NOTE : THIS MEANS THE Seller IS FIRMLY REQUESTING NOT SUGGESTING A GUIDELINE)

Interest Guideline / offered:

(Select one)

☒ Libor + 1.9375 % p.a.

☐ Libor + % FLAT

LIBOR Options:*

(Select one)

☒ Matching AVERAGE LIFE

☐ Matching the tenor of EACH DRAFT

Libor fixing 2 days before disbursement

INTEREST BASIS :

☐ 365 days over 360 days

DAYS OF GRACE:

4 DAYS

We hereby authorise "The Singapore Bank Ltd" to act on behalf of Singapore Technologies Engineering Limited (STEL) to obtain a Third Party Purchaser at best offered price, terms and conditions for the aforementioned trade debt receivable from "The Singapore Bank Ltd"'s Primary Platform Services via Global Trade Finance Network™ Ltd (GTFNet) and, as Singapore Technologies Engineering Limited (STEL)'s agent and the Negotiating Bank to provide & deliver the following information, documentation and Sale Purchase Contract to the counterparty(s) accepted by STEL as the Third Party Primary Purchaser(s):

I. As the Negotiating Bank, on behalf of STEL to notify potential Third Party Purchasers on GTFNet that negotiation of the documents has been completed and STEL (the Exporter) is ready to endorse the Bill(s) of Exchange and assign the rights under the L/C.

II. We authorise "The Singapore Bank Ltd" to disclose to potential Third Party Purchasers on GTFNet the following specific information on the Importer:

Capital:

Turnover:

USD 273 MM (1999)

Credit Rating:

(Optional: complete those fields which are to be disclosed)

III. STEL has herewith signed the Standard Sale / Purchase Contract, [with the form and content download from GTFNet's website,] and delivers it to "The Singapore Bank Ltd" to hold in trust custody. The name of the counterparty has been left blank and will be inserted by "The Singapore Bank Ltd" under standing Irrevocable Instructions from STEL to be triggered by STEL's acceptance of a counterparty's offer and to be delivered by "The Singapore Bank Ltd" to the Third Party Purchaser and as scanned verified true copies to GTFNet. The Exporter hereby has already delivered or agrees to sign and present all documents required as per the Sale/Purchase Contract within its power to present and /or confirms that it hereby authorises "The Singapore Bank Ltd" to request, obtain and deliver all required documents from the L/C Issuing bank, as follows:

1. Certified True (Conformed) Copy of L/C issued together with all amendments

2. Certified True (Conformed) Copy of a tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank confirming that the documents are in full compliance with the L/C terms and

that USD 2,966,666.67	is due on	18/10/2001	,
that USD 2,966,666.67	is due on	18/04/2002	,
that USD 2,966,666.66	is due on	18/10/2002	,
that USD 2,966,666.67	is due on	18/04/2003	,
that USD 2,966,666.67	is due on	18/10/2003	,
that USD 2,966,666.66	is due on	18/04/2004	.

3. Confirmation from you, the Negotiating Bank that the documents fully comply with the L/C terms and

that USD 2,966,666.67	is due on	18/10/2001	,
that USD 2,966,666.67	is due on	18/04/2002	,
that USD 2,966,666.66	is due on	18/10/2002	,
that USD 2,966,666.67	is due on	18/04/2003	,
that USD 2,966,666.67	is due on	18/10/2003	,
that USD 2,966,666.66	is due on	18/04/2004	.

4a. Certified True (Conformed) Copy(s) of Bill(s) of Lading evidencing shipment

5a. Certified True (Conformed) Copy of Commercial Invoice(s)

5b. Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the L/C to the Purchaser signed by the Exporter and addressed to Negotiating Bank in the form and content downloaded from GTFNet's Website.

"GTFNet Standard Document"

5c. Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the commercial invoice to the Purchaser signed by the Exporter addressed to the Negotiating Bank in the form and content downloaded from GTFNet's Website.

"GTFNet Standard Document"

6. Draft(s) / Bill(s) of Exchange endorsed without recourse by the Exporter to the order of the Purchaser, in the form and content downloaded from GTFNet's Website

"GTFNet Standard Document"

In the event the L/C Issuing Bank is absolutely not willing to return the draft, then alternatively.

7. Certified True (Conformed) Copy of the Telex Acceptance of the Draft(s) / Bill(s) Of Exchange by the L/C Issuing Bank in the case of a telex acceptance in lieu of original Draft(s)/Bill(s) of Exchange.

"GTFNet Standard Document"

8. Verification from the Negotiating Bank that Exporter's signature(s) appearing on documentation is/are authentic and the signatory(s) is/are authorised to sign (singly/jointly) on behalf of the Exporter, in the form and content downloaded from GTFNet's Website.

"GTFNet Standard Document"

9. Certified True (Conformed) Copy of the letter of notification from Exporter to Issuing Bank in which the Exporter notifies the L/C Issuing Bank of the assignment of the proceeds to the Purchaser, with the content downloaded from GTFNet's Website

"GTFNet Standard Document"

10.

Certified True (Conformed) Copy of tested telex/SWIFT message from Issuing Bank acknowledging assignment of proceeds in favour of Purchaser and agreement to pay the Purchaser with no deductions.

"GTFNet Standard Document"

11. In the event that the L/C Issuing Bank should refuse to change the payment route established under the L/C, the Negotiating Bank will issue an irrevocable payment instruction to its correspondent in the country of the currency in which the draft and L/C are denominated. With an irrevocable payment instruction that indicates that upon receipt of the funds, the Correspondent Bank must wire the funds directly to the Purchaser and not credit the Negotiating Bank's account.

"GTFNet Standard Document"

12. STEL authorises the Negotiating Bank to use custodian services, if requested by the Purchaser.

We understand that "The Singapore Bank Ltd"'s system interface will present the terms of all offer(s) received to STEL for STEL's consideration and final acceptance. STRL will respond with the acceptance or rejection in a timely manner, which acceptance will then be delivered to the agreed upon counterparty by "The Singapore Bank Ltd"'s system interface via Global Trade Finance Network™ Ltd. We understand and acknowledge that STEL remains with full recourse on this receivable until the without recourse purchase sale has been completed and payment received in the account of STEL at "The Singapore Bank Ltd".

Agreed and accepted

Singapore Technologies Engineering Limited (STEL)

(Digital Signature –proposed technology–Identrus, Entrust, Verisign depending on relevant jurisdiction e.g. Entrust for Singapore)

BY
BY

"The Singapore Bank Ltd"

(Digital Signature –proposed technology–Identrus, Entrust, Verisign depending on relevant jurisdiction e.g. Entrust for Singapore)

BY
BY

Read Submit

- When STEL is satisfied with the submission they are able to submit it by clicking the "submit" button. This completes the offer indicated at 31 on Fig. 3.

The Singapore Bank Ltd 25 will be registered on the primary trading platform in order to access its services, and will have an identifier and password to enable them to access the platform. The bank adjusts the offer and submits it to the primary trading platform 32.

Here the offer will specify the following matters:

The classes of buyers to whom they are prepared to sell, and the classes of buyers to whom they are not prepared to sell.

The class of asset together with full details of the asset.

5 The terms for the offer, which have been set by the exporter.

Documents which will accompany the offer. These documents are standards provided by the exchange and adjusted as necessary, for instance to remove the exporter's identity. The exchange is dynamic in this respect. The bank can also consult experts provided by the exchange for advice on the
10 adjustments to ensure they are watertight. And,

Undertakings they are prepared to make in support of the offer. These undertakings also come from the exporter, but the bank may customize them if required, and may request signature in blank by the exporter before going further.

15 At this point the offer is made available on the platform to potential buyers; this is indicated at 32 on Fig. 3. A potential buyer may view the offerings for sale, only viewing the kind of asset they have preselected; as shown at 33 on Fig. 3. Should they choose to purchase 34, they are then presented with a guided submission to complete and return 35.

20 The bank will be able view any counter offers subsequently received, 36 and may make them visible to the exporter, for instance after loading pricing and adding fees. In the 'View counter offers summary window' shown below there are four counter offers. In the first counter offer #1, the buyer known as "juyh8", has indicated that they wish to negotiate price and terms,
25 but not terms and conditions. They wish particularly to buy Draft No 1 for a particular price. In offer #2 the buyer wishes to buy two of the drafts. In offer #3 the buyer desires a straight discount. In offer #4 the buyer wishes to buy four of the drafts.

View Counter offers - SummaryPrimary : **SELL : Bank Customer Wind** WS : View Counteroffers - SummaryDisclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.**View Counteroffers for Exporter #1, "STEL", Seller Handle "ttre54"**

L/C ISSUING BANK

Banque Misr, Head Office, Cairo, Egypt

[Latest News](#)

L/C AMOUNT

USD 17,800,000.00

[Credit Information](#)

MAXIMUM TENOR

1095

days

[Enhancement Tools](#)AFTER BILL OF LADING ☒

Payment Domicile

Banque Misr, Head Office, Cairo, Egypt

Total NO. OF DRAFT(S) / BILL(S) OF EXCHANGE

6

REPAYMENT

☒ SEMIANNUAL**OFFER #1**Response FROM Buyer Handle: "juyh8"
TO Seller Handle: "ttre54"

Do you wish to negotiate price/terms?

☒ yes☐ no

Do you wish to negotiate document terms & conditions?

☐ yes☒ no**"Found Match, Let's Negotiate"**Buyer's choices

We request the following changes to the terms:

[Calculator](#)1. Buyer willing to purchase drafts out of 6**Drafts*****DRAFT NO. 1:**

AMOUNT: 2,966,666.67

MATURITY DATE: 18/10/2001

TENOR: 181 Days ↑

2. Interest Rate for Draft No.1Matching Libor + pct.p.a.☐ yes☐ noProceeds [<View Terms>](#)[<View Complete Counteroffer>](#)[<View Seller's Documents>](#)**OFFER #2**

Response FROM Buyer Handle: "bamm09"

TO Seller Handle: "ttre54"

Do you wish to negotiate price/terms?

- ☒ yes
☐ no

Do you wish to negotiate document terms & conditions?

- ☐ yes
☒ no

"Found Match, Let's Negotiate"

Buyer's choices

We request the following changes to the terms:

Calculator

1. Buyer willing to purchase drafts out of 6

2. Matching Libor for Each Draft + Margins as follows

Draft No.1

Libor + pct.p.a.

- ☐ yes
☐ no

Draft No. 2

Libor + pct.p.a.

- ☐ yes
☐ no

Compounding Semiannually

Total face amount of purchase 5.933.333.34

***DRAFT NO. 1:**

AMOUNT: 2,966,666.67

MATURITY DATE: 18/10/2001

TENOR: 181 Days †

DRAFT NO. 2:

AMOUNT: 2,966,666.67

MATURITY DATE: 18/04/2002

TENOR: 363 Days †

Proceeds

<View Terms>

<View Complete Counteroffer>

<View Seller's Documents>

OFFER #3

Response FROM Buyer Handle: "dogi4"

TO Seller Handle: "ttre54"

Do you wish to negotiate price/terms?

- ☒ yes
☐ no

Do you wish to negotiate document terms & conditions?

- ☐ yes
☒ no

"Found Match, Let's Negotiate"

Calculator

Buyer's choices

We request the following changes to the terms:

*Type of calculation:

STRAIGHT DISCOUNT (SD)

Interest rate to be discounted (Price): (select one)

Interest offered: Libor + % p.a.

*LIBOR Options:

(Select one)

Matching AVERAGE LIFE ☒

INTEREST BASIS - 365 DAYS OVER 360 DAYS

Proceeds

[<View Terms>](#)

[<View Complete Counteroffer>](#)

[<View Seller's Documents>](#)

OFFER #4

Response FROM Buyer Handle: "dog14"

TO Seller Handle: "ttre54"

Do you wish to negotiate price/terms?

☒ yes

☐ no

Do you wish to negotiate document terms & conditions?

☐ yes

☒ no

"Found Match, Let's Negotiate"

Buyer's choices

We request the following changes to the terms:

[Calculator](#)

1. Buyer willing to purchase drafts out of 6 Drafts

DRAFT NO. 3 :

AMOUNT: 2,966,666.66

MATURITY DATE: 18/10/2002

TENOR: 546 Days ↑

DRAFT NO. 4 :

AMOUNT: 2,966,666.67

MATURITY DATE: 18/04/2003

TENOR: 728 Days ↑

DRAFT NO. 5:

AMOUNT: 2,966,666.67

MATURITY DATE: 18/10/2003

TENOR: 911 Days ↑

DRAFT NO 6:

AMOUNT: 2,966,666.66

MATURITY DATE: 18/04/2004

TENOR: 1094 Days ↑

2. DISCOUNT-TO-YIELD (1) (DTY) ☒

3. Interest rate to be discounted (Price): (select one)

Interest offered: Libor + % p.a.

*LIBOR Options: (Select one)
Matching AVERAGE LIFE ☒
Average Life: 728 days †
INTEREST BASIS - 365 DAYS OVER 360 DAYS
Proceeds

[<View Terms>](#)
[<View Complete Counteroffer>](#)
[<View Seller's Documents>](#)

Documentation under legal counsel review

† April 20, 2001 was utilized as the calculation date in this transaction

5

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15

20

25

The bank, or the exporter, may choose to accept a counteroffer, or to continue negotiation on any or all of the offers by returning further counteroffer documents, 37. The buyers can also choose to negotiate by returning counter offer documents, 38. When full agreement is reached, 5 payment terms are agreed and accepted by both parties, 39.

Alternatively, if full agreement is not reached in this manner the parties may enter the negotiating room 40 in order to negotiate. This might happen for instance, where there is a subject requiring negotiation that does not fit the structure described above. The negotiation continues to use the 10 alphanumeric identifiers to maintain anonymity.

It should be appreciated that both the exporter 21 and the buyer 23 take part in the process anonymously until enough terms have been agreed for them to settle the negotiation. It should also be appreciated that the information they provide to each other is controlled by the allowable content 15 of the online documents. At many places during the negotiations the forms provide links to obtain latest news and credit information as well as software support tools that may assist in developing the transaction.

The secondary trading platform 12 is provided for a slightly different transaction, that is the purchase by the negotiating bank 25 and sale to a 20 second purchaser 26. Subsequent sales require minor variation of the following.

Prior to this transaction the exporter 21 has signed a sales/purchase agreement with the importer 22 for goods to be exported. The importer's bank 24 has already issued a deferred payment letter of credit in favour of the 25 exporter 21 and sent the letter of credit to the exporter's advising bank 25. The advising bank 25 has already informed the exporter of the letter of credit opening. The exporter has delivered the goods to the importer.

The exporter now deals with the shipping documents and letter of credit negotiations as follows:

30 First, the exporter presents all necessary shipping documents for negotiation of the letter of credit to their advising bank 25, which in turn negotiates them with the importer's bank 24 for acceptance.

Provided the shipping documents are accepted then the underlying obligation is executed, and the draft is drawn by the exporter via the advising bank on the issuing bank. When the draft is accepted by the issuing bank the exporter, wishing to sell the asset to its bank, endorses the draft 'without
 5 recourse' to itself the exporter and assigns its rights under the letter of credit to the advising bank (now the negotiating bank) as first purchaser. The first purchaser then settles with the exporter.

The negotiating bank purchases the rights under the letter of credit in order to resell them, and seeks a secondary purchaser. When a secondary
 10 purchaser is found, the negotiating bank as first purchaser endorses the draft 'without recourse' to itself the first purchaser and assigns its rights under the letter of credit to the secondary purchaser 26.

The secondary purchaser 26 wires funds to the negotiating bank 25 as first purchaser.

15 Upon maturity of the deferred payment letter of credit, provided the second purchaser holds the asset until that time, then they present the draft to the issuing bank 24 and receive payment directly from them.

The platform guides the negotiating bank through the proper orderly preparation of documents to represent the underlying trade transaction, the
 20 good practice purchase of the asset by the negotiating bank, and the onward sale of the asset to a second purchaser, and ensure the exporter has made all the endorsements and assignments to the negotiating bank as first purchaser.

On the secondary platform the seller must be a holder of the asset and not the original beneficiary (the exporter) which is why it is called the
 25 secondary platform. The holder is typically a financial institution such as the exporter's bank as first purchaser and second seller, or an independent first purchaser such as a forfaiter.

Sale(s)/purchase(s) 'matched' on the secondary platform can be executed with (sold to) banks, non bank financial institutions, non financial
 30 institutions and packagers.

On the secondary platform the selling institution will select counter parties by filling in the following form. The buyer fills in a corresponding form to select the sellers from whom it is willing to buy (and those from whom it is not willing to buy).

C Counterparty Selection General

Secondary: SELL : Counterparty Selection General : Seller's Worksheet

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

CHOICES MENU of Broad Criteria

Select Buyers that will view offers. Select Buyers that will be excluded from viewing offer.

Do not
Send to
☐

Send to
☐

1. All Seller's correspondents

Do not
Send to
☐

Send to
☐

2. All Seller's branches / subsidiaries / affiliates

Do not
Send to
☐

Send to
☐

3. All banks located in Country

List of Countries

All countries
Afghanistan
Albania
Algeria
American Samoa
Andorra
Angola
Anguilla
Antarctica
Antigua and Barbuda

Do not
Send to
☐

Send to
☐

4. All banks with branches and/or subsidiaries located in country

List of Countries

All countries
Afghanistan
Albania
Algeria
American Samoa
Andorra
Angola
Anguilla
Antarctica
Antigua and Barbuda

Do not
Send to
☐

Send to
☐

5. All banks located in Region

List of Regions

All regions
North Asia
South Asia
South-east Asia
Asia Pacific
Eastern Europe
Western Europe
Middle East
Central Asia
North Africa

Do not
Send to

☐

Send to

☐

6. All Non Banking Financial Institutions (NBFIs) located in Country

List of Countries

All countries
Afghanistan
Albania
Algeria
American Samoa
Andorra
Angola
Anguilla
Antarctica
Antigua and Barbuda

Do not
Send to

☐

Send to

☐

7. All NBFIs located in Region

List of Regions

All regions
North Asia
South Asia
South-east Asia
Asia Pacific
Eastern Europe
Western Europe
Middle East
Central Asia
North Africa

Do not
Send to

☐

Send to

☐

8. All Non-Financial Institutions (Non-FIs) located in Country

List of Countries

All countries
Afghanistan
Albania
Algeria
American Samoa
Andorra
Angola
Anguilla
Antarctica
Antigua and Barbuda

Do not
Send to

☐

Send to

☐

9. All Non-FIs located in Region

List of Regions

All regions
North Asia
South Asia
South-east Asia
Asia Pacific
Eastern Europe
Western Europe
Middle East
Central Asia
North Africa

Do not
Send to

☐

Send to

☐

10. All FIs, NBFIs and non-FIs rated by Moody's or S&P -- Rating --

Do not
Send to

☐

Send to

☐

11. All banks on which reports have been published by Fitch IBCA ☐ Yes ☐ No

- ☐ ☐
- Send to** ☐ 12. Special exceptions that override all previous choices of Seller's asset criteria and broad criteria for country selection.
 (These will be specific institutions targeted by the Seller)
- Do not Send to** ☐ 13. Special exceptions that override all previous choices of Seller's broad criteria for counterparty selection (These will be institutions specifically excluded by the Seller)

The anonymous seller then completes an 'Asset Offer Guided Submission', as indicated at 51 on Fig. 5. This involves providing details about themselves, details about the broad criteria for the transaction, the asset, the terms of the offer, the documentation and the undertakings to be made. Some of this information is available only to the platform for security and avoidance of fraud.

Asset Offer Guided Submission

Secondary: SELL : Asset Offer Guided Submission : Counterparty Selection This Asset

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Seller's Worksheet

Seller's preset information as per subscription details appears here.

Seller Category: BANK (B)

[Latest News](#)

Head Office

[Credit Information](#)

Branch x

[Enhancement Tools](#)

Subsidiary

Representative Office

Seller Name "Middle Eastern Regional Bank Ltd, Hong Kong"

City, Country Hong Kong, SAR

Region North Asia

Credit Rating (if any) Fitch IBCA -- Rating: A

Credit reports published by Fitch IBCA Yes

Capital USD 200 MM

Assets USD 2.7 Bn

Seller Instructions

Reminder - Broad criteria have been ☒ yes ☐ no set

CHOICES MENU of Broad Criteria

Do not
Send to
☐

Send to
☒

1. All Seller's correspondents

Do not
Send to
☐

Send to
☒

2. All Seller's branches / subsidiaries / affiliates

Do not
Send to
☒

Send to
☐

3. All banks located in Country

List of selected Countries

Indonesia
China
SAR
Singapore

Do not
Send to
☒

Send to
☐

4. All banks with branches and/or subsidiaries located in country

List of selected Countries

Indonesia
China
SAR
Singapore

Do not

Send to

6. All Non Banking Financial Institutions (NBFIs) located in Country

Send to
☒

☐

List of selected Countries

Indonesia
 China
 SAR
 Singapore

Do not
 Send to
☒

Send to
☐

8. All Non-Financial Institutions (Non-FIs) located in Country

List of selected Countries

Indonesia
 China
 SAR
 Singapore

Send to
☒

12. Special exceptions that override all previous choices of Seller's asset criteria and broad criteria for country selection.

List of selected Counterparties

Banque Cantonale au Vaudoise
 Zuercher Kantonalbank
 Bank of Scotland

Do not
 Send to
☒

13. Special exceptions that override all previous choices of Seller's broad criteria for counterparty selection

List of selected Counterparties

GECC, subsidiaries & affiliates
 Siemens Financial Services

Need to Describe Asset Offer

Describe Asset Offer

Secondary: SELL : Asset Offer Guided Submission : Describe Asset Offer : Worksheet

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Step 1: Describe Asset Offer : Worksheet

* obligatory field

Form of
ASSET on
offer: *

- ☒ Draft(s)/ Bill(s) of Exchange drawn under deferred payment (usage) Letter(s) of Credit (L/C)
 - ☐ Site letter of credit requiring confirmation
 - ☐ Down payment on ECA (export credit agency) transaction, structured for deferred payment plus:
 - Draft(s)
 - Promissory note(s)
 - Credit enhancement
 - Letter(s) of credit
 - Aval
 - ☐ Naked deferred payment claim:
 - Draft
 - Promissory note
 - ☐ Deferred payment claim(s) with credit enhancement
 - ☐ Deferred payment claim(s) with financial guarantee(s):
 - Avalized Draft(s)
 - Avalized Promissory note(s)
 - Draft(s) with bank guarantee
 - Promissory note(s) with guarantee

Type of Seller
offering: *

- ☒ First Purchaser/ Second Seller
- ☐ Second Purchaser/ Third Seller
- ☐ Third Purchaser/ Fourth Seller
- ☐ Fourth Purchaser/ Fifth Seller

*Type of transaction: **Without recourse financing**

OFFER : *

*L/C ISSUING BANK	Bank of China
*BRANCH	Shanghai
*L/C AMOUNT	5,500,000.00
*CURRENCY	US Dollar
*UNDERLYING TRANSACTION (GOODS)	Textile Equipment
*MAXIMUM TENOR	720
	days
<input type="radio"/> AFTER SIGHT	
<input checked="" type="radio"/> AFTER BILL OF LADING	
*DAYS remaining	718
	+ days
*AVERAGE LIFE	360
	+ days
*Total NO. OF DRAFT(S) / BILL(S) OF EXCHANGE	4

[Latest News](#)

[Credit Information](#)

[Enhancement Tools](#)

*REPAYMENT

⊕ SEMIANNUAL

⊙ ANNUAL

DRAFT:*

*DRAFT NO. 1:
AMOUNT:

USD 1,375,000.00

MATURITY DATE:

15/10/01

TENOR:

178

† days

DRAFT NO. 8:

AMOUNT:

MATURITY DATE:

TENOR:

days

DRAFT NO. 2:

AMOUNT:

USD 1,375,000.00

MATURITY DATE:

15/04/02

TENOR:

360

† days

DRAFT NO. 9:

AMOUNT:

MATURITY DATE:

TENOR:

days

DRAFT NO. 3:

AMOUNT:

USD 1,375,000.00

MATURITY DATE:

10/10/02

TENOR:

538

† days

DRAFT NO. 10:

AMOUNT:

MATURITY DATE:

TENOR:

days

DRAFT NO. 4:

AMOUNT:

USD 1,375,000.00

MATURITY DATE:

08/04/03

TENOR:

718

† days

DRAFT NO. 11:

AMOUNT:

MATURITY DATE:

TENOR:

days

DRAFT NO. 5:

AMOUNT:

MATURITY DATE:

TENOR:

days

DRAFT NO. 12:

AMOUNT:

MATURITY DATE:

TENOR:

days

DRAFT NO. 6:

AMOUNT:

MATURITY DATE:

TENOR:

days

DRAFT NO. 13:

AMOUNT:

MATURITY DATE:

TENOR:

days

DRAFT NO. 7:

AMOUNT:

MATURITY DATE:

TENOR:

days

DRAFT NO. 14:

AMOUNT:

MATURITY DATE:

TENOR:

days

*Importer: (Confidential Field)

*L/C Advising Bank: (Confidential Field)

*Negotiating Bank: (Confidential Field)

*Payment Domicile:

*Calendar used in days calculation (country)

"Shanghai Garment Ltd"

"Middle East Region Bank Ltd"

"Middle East Region Bank Ltd"

Bank of China, Shanghai PRC

UK

*Destination of Shipment

Shanghai PRC

Shipment Of Origination (geographic)

Note: Confidential Fields only disclosed upon completion of Sale/Purchase MATCH and acceptance of MATCH terms.

Step 2: Terms of Offer : Worksheet

* obligatory field

TERMS OF OFFER

*Type of (select calculator)

calculation:

☐ BOND☒ Trade Finance discount methods:☒ DISCOUNT-TO-YIELD (DTY)☐ Compounded annually☒ Compounded semi-annually☐ STRAIGHT DISCOUNT (SD)

Interest rate (Select one)

to be

discounted

(Price):

☒ Guideline

(or)

☐ Offered (NOTE : THIS MEANS THE Seller IS FIRMLY REQUESTING NOT SUGGESTING A GUIDELINE)

Interest (Select one)

Guideline /

offered:

☒ Libor + % p.a.☐ Libor + % FLAT

LIBOR (Select one)

Options:*

☐ Matching AVERAGE LIFE☒ Matching the tenor of EACH DRAFT☒ Libor fixing 2 days before disbursement

INTEREST

BASIS :

☒ 365 days over 360 days☐ 30 days in a month and 360 days in a year

DAYS OF

GRACE:

 DAYS


† April 20, 2001 was utilized as the calculation date in this transaction

Describe Asset Offer

Secondary: SELL : Asset Offer Guided Submission : Describe Asset Offer : Guided Submission : Seller's Worksheet

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Step 3: Guided Documents Submission : Worksheet

Interactive guided process is available under Documents and Procedures.

If scanning, prepare and authenticate electronic copies of documents to be submitted.

If faxing to GTFNet (Fax no:xx-xxxxxxx), please prepare complete set of documents indexed below under cover fax.

DOCUMENTATION (* Must respond Yes or No.)

* (1) Certified True (Conformed) Copy of L/C Issued together with all amendments

Have you, the Negotiating Bank made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

☒ Submit a Certified True (Conformed) Copy(s)

☐ Fax to GTFNet

* (2) Certified True (Conformed) Copy of a tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank confirming that the documents are in full compliance with the L/C terms and

that USD 1,375,000.00 (amount) is due on 15/10/2001 (dd/mm/yyyy)

that USD 1,375,000.00 (amount) is due on 15/04/2002 (dd/mm/yyyy)

that USD 1,375,000.00 (amount) is due on 10/10/2002 (dd/mm/yyyy)

that USD 1,375,000.00 (amount) is due on 08/04/2003 (dd/mm/yyyy)

(Note: This field expands depending on the number of Draft(s) involved, usually not more than 14 in our case.)

[Do you have this document? ☒ yes ☐ no]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

☒ Submit a Certified True (Conformed) Copy(s)

☐ Fax to GTFNet

(3) Confirmation from you, the Negotiating Bank, that the documents are in full compliance with the L/C terms and

that USD 1,375,000.00 (amount) is due on 15/10/2001 (dd/mm/yyyy)

that USD 1,375,000.00 (amount) is due on 15/04/2002 (dd/mm/yyyy)

that USD 1,375,000.00 (amount) is due on 10/10/2002 (dd/mm/yyyy)

that USD 1,375,000.00 (amount) is due on 08/04/2003 (dd/mm/yyyy)

(Note: This field expands depending on the number of Draft(s) involved, usually not more than 14 in our case.)

[Do you have this document? ☒ yes ☐ no]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

☒ Submit a Certified True (Conformed) Copy(s)

☐ Fax to GTFNet

Either

* (4)(a) Bill(s) of Lading evidencing shipment

[Do you have this document? ☒ yes ☐ no]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

☒ Submit a Certified True (Conformed) Copy(s)

☐ Fax to GTFNet

Or

* (4)(b) Certified True (Conformed) Copy of Cargo Receipt, signatures verified by L/C Issuing Bank

[Do you have this document? ☐ yes ☐ no]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☐ yes ☐ no

☐ Submit a Certified True (Conformed) Copy(s) [] [] []

☐ Fax to GTFNet

* (4)(c) Certified True (Conformed) Copy of Commercial Invoice(s)

[Do you have this document? ☒ yes ☐ no]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

☒ Submit a Certified True (Conformed) Copy(s) [] [] []

☐ Fax to GTFNet

(4)(d) Certified True (Conformed) Copy(s) of all other underlying shipping documents pertinent to this shipment

[Do you have this document(s)? ☐ yes ☒ no]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☐ yes ☐ no

☐ Submit a Certified True (Conformed) Copy(s) [] [] []

☐ Fax to GTFNet

* (5)(a) Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the L/C to the First Purchaser (who is the Seller) signed by the Exporter and addressed to Negotiating Bank (being the First Purchaser and Seller in this transaction).

[Do you have this document? ☒ yes ☐ no]

[Are you using form and content downloaded from GTFNet's Website? ☒ yes ☐ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

☒ Submit a Certified True (Conformed) Copy(s) [] [] []

☐ Fax to GTFNet

* (5)(b) Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the commercial invoice to the First Purchaser (Seller) signed by the Exporter addressed to Seller (being the Negotiating Bank).

[Do you have this document? ☒ yes ☐ no]

[Are you using form and content downloaded from GTFNet's Website? ☒ yes ☐ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

☒ Submit a Certified True (Conformed) Copy(s) [] [] []

☐ Fax to GTFNet

* Select either (6) or (7)

(6) Draft(s) / Bill(s) of Exchange endorsed without recourse by the Exporter to the order of Seller, being the First Purchaser

ORIGINAL DOCUMENT TO BE DELIVERED AT CLOSING

[Do you have this document? ☐ yes ☐ no]

[Are you using form and content downloaded from GTFNet's Website? ☐ yes ☐ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☐ yes ☐ no

- ☐ Submit a Certified True (Conformed) Copy(s) ☐ ☐ ☐
- ☐ Fax to GTFNet

(7) Certified True (Conformed) Copy of the Telex Acceptance of the Draft(s) / Bill(s) Of Exchange in the case of a telex acceptance in lieu of original Draft(s)/Bill(s) of Exchange.

Telex Acceptance of the Draft(s) / Bill(s) Of Exchange:

The Certified True (Conformed) Copy of a tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank stating that the L/C Issuing Bank has accepted the draft (Bill(s) of exchange), confirms the amount(s) due on day/month/year date(s) and that the bank will under no circumstances release the Bill(s) of exchange to any other party, person or institution other than Exporter and or its assignee(s) and undertakes to pay upon presentation in effective currency at maturity the referenced amount(s), without any deductions whatsoever, to the Exporter and or its assignee(s).

[Do you have this document? ☒ yes ☐ no]

[Are you using form and content downloaded from GTFNet's Website? ☒ yes ☐ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

- ☒ Submit a Certified True (Conformed) Copy(s) ☐ ☐ ☐
- ☐ Fax to GTFNet

* (8) Verification from the Negotiating Bank that Exporter's signature(s) appearing on documentation is/are authentic and the signatory(s) is/are authorised to sign (singly/jointly) on behalf of the Exporter

[Do you have this document? ☒ yes ☐ no]

[Will you be using form and content downloaded from GTFNet's Website ? ☐ yes ☒ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

- ☒ Submit a Certified True (Conformed) Copy(s) ☐ ☐ ☐
- ☐ Fax to GTFNet

* (9) Do you, the Seller, being the First Purchaser as well as the Negotiating Bank have a Purchase Contract signed with the Exporter? ☒ yes ☐ no

[Have you used form and content downloaded from GTFNet's Website ? ☐ yes ☒ no]

"GTFNet Standard Document"

* (10) Certified True (Conformed) Copy of the letter of notification from Exporter to Issuing Bank in which the Exporter notifies the L/C Issuing Bank of the assignment of the proceeds to the First Purchaser, who is the Negotiating Bank and the Seller.

[Do you have this document? ☒ yes ☐ no]

[Will you be using form and content downloaded from GTFNet's Website ? ☐ yes ☒ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes ☐ no

- ☒ Submit a Certified True (Conformed) Copy(s) ☐ ☐ ☐
- ☐ Fax to GTFNet

* (11) Certified True (Conformed) Copy of tested telex/SWIFT message from Issuing Bank acknowledging

assignment of proceeds in favour of First Purchaser (Second Seller) and agreement to pay the First Purchaser with no deductions.

[Do you have this document? ☒ yes ☐ no]

[Will you be using form and content downloaded from GTFNet's Website? ☒ yes ☐ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s)? ☒ yes ☐ no

☒ Submit a Certified True (Conformed) Copy(s) [] [] []

☐ Fax to GTFNet

Will you, the Seller, undertake to obtain and deliver the following documentation which is not already in our possession, in the event the Buyer makes the following requests?

* (12) Certified True (Conformed) Copy of the notification from the Seller to L/C Issuing Bank that the Seller has assigned the claim to the Buyer (Second Purchaser). ☒ yes ☐ no

[Will you send this notification using the form and content downloaded from GTFNet's Website? ☒ yes ☐ no]

"GTFNet Standard Document"

* (13) (ORIGINAL Draft(s) / Bill(s) of Exchange endorsed without recourse by the Exporter to the order of the Second Seller (First Purchaser) and endorsed by the Second Seller without recourse to the Buyer (being the Second Purchaser)

ORIGINAL DOCUMENT TO BE DELIVERED ☐ yes ☒ no

[Will you be using form and content downloaded from GTFNet's Website? ☐ yes ☒ no]

"GTFNet Standard Document"

Either

* (14)(a) (Certified True (Conformed) Copy of the Telex from the L/C Issuing Bank acknowledging their acceptance of the assignment of the claim by the First Purchaser being the Second Seller and their obligation to pay irrevocably the Buyer (being the Second Purchaser).) ☒ yes ☐ no

[Will you make this request using form and content downloaded from GTFNet's Website? ☒ yes ☐ no ☐ BEST EFFORTS]

"GTFNet Standard Document"

Or

* (14)(b) Will you request a *telex Acceptance of the Bill(s) of Exchange* and deliver a Certified True Copy to the Second Purchaser?

Note Imbedded in tested telex is the Certified True (Conformed) Copy of a tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank stating that the L/C Issuing Bank has accepted the draft (Bill(s) of exchange), confirms the amounts due on 15/10/01, 15/04/02, 10/ (dates) and the assignment of the claim(s) to the Buyer (being the Second Purchaser) and that the L/C Issuing Bank will under no circumstances release the Bill(s) of exchange to any other party, person or institution other than the assignee, the Buyer (being the Second Purchaser) and undertakes to pay upon presentation in effective currency at maturity the referenced amounts, without any deductions whatsoever, to the assignee, the Buyer (being the Second Purchaser.) ☒ yes ☐ no

[Will you make this request using form and content downloaded from GTFNet's Website? ☒ yes ☐ no ☐ BEST EFFORTS]

"GTFNet Standard Document"

(15)(a) In the event that the L/C Issuing Bank should refuse to change the payment route established under the L/C, the Negotiating Bank will issue an irrevocable payment instruction to its correspondent in the country of the currency in which the draft and L/C are denominated. ☐ yes ☐ no

(15)(b) Will this irrevocable payment instruction indicate that upon receipt of the funds, the Correspondent Bank

Assets meeting Buyer's Criteria: Summary

Secondary: BUY : Assets meeting Buyer's Criteria: Summary

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Assets meeting Buyer's Criteria Summary as at (dd/mm/yyyy)

[View Assets in Sequence Received](#)

[View Assets in Sequence Received](#)

1. Transaction Handle :	Harvy3	Latest News
L/C ISSUING BANK:	Bank of China	Credit Information
L/C AMOUNT:	USD 5.5 MM	Enhancement Tools
Total No. of Draft(s) / Bill(s) of Exchange:	4	
Interest Guideline / offered:	Libor + 1.375 % p.a.	
Days Remaining:	718 days †	
Maximum Tenor:	720 days	
	<View Terms>	
	<View Documentation>	
	<View Complete Offer>	
2. Transaction Handle :	Dunget3	Latest News
L/C ISSUING BANK:	National Bank of Egypt	Credit Information
L/C AMOUNT:	Euro 7.83 MM	Enhancement Tools
Total No. of Draft(s) / Bill(s) of Exchange:	5	
Interest Guideline / offered:	Libor + 2.5 % p.a.	
Days Remaining:	875 days †	
Maximum Tenor:	900 days	
	<View Terms>	
	<View Documentation>	
	<View Complete Offer>	
3. Transaction Handle :	Pefla72	Latest News
L/C ISSUING BANK:	Ceskoslovenska Obchodni Banka	Credit Information
L/C AMOUNT:	USD 14.5 MM	Enhancement Tools
Total No. of Draft(s) / Bill(s) of Exchange:	10	
Interest Guideline / offered:	Libor + 1.875 % p.a.	
Days Remaining:	1610 days †	
Maximum Tenor:	1800 days	
	<View Terms>	
	<View Documentation>	
	<View Complete Offer>	

† April 20, 2001 was utilized as the calculation date in this transaction

The buyer sees a condensed form of the documents completed by the sellers since they only see the fields that have been completed by the seller.

- 5 At the same time the buyer sees high level information so that the eye can scan many transactions, and they can flag documents of interest for future consideration, and drill down to see details as follows:

Flagged Asset meeting Buyer's Criteria - Details

Secondary: BUY : Flagged Asset meeting Buyer's Criteria - Details

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Details of Asset

Seller Category: BANK (B)
 Branch x
 Seller Name
 City, Country
 Region
 Credit Rating (if any) Fitch IBCA Rating - A (long term)
 Credit reports published by Fitch IBCA Yes
 Capital USD 200 MM
 Assets USD 2.7 Bn

Seller Offer HANDLE: "Harvy3"

Asset Offer

Form of ASSET on offer: ☒ Draft(s)/ Bill(s) of Exchange drawn under deferred payment (usance) letter of credit(s)

Type of Seller offering: ☒ First Purchaser/ Second Seller

Type of transaction: Without recourse financing

OFFER :	L/C ISSUING BANK, BRANCH	Bank of China Shanghai	Latest News
	L/C AMOUNT	USD 5,500,000.00	Credit Information
	CURRENCY	US Dollar	Enhancement Tools
	UNDERLYING TRANSACTION (GOODS)	Textile Equipment	
	MAXIMUM TENOR	720 days	
	<input checked="" type="radio"/> AFTER BILL OF LADING		
	DAYS remaining	718 days †	
	AVERAGE LIFE	360 days †	
	Total NO. OF DRAFT(S) / BILL(S)	4	
	OF EXCHANGE		
	REPAYMENT	<input checked="" type="radio"/> SEMIANNUAL	

DRAFT:	DRAFT NO. 1:	
	AMOUNT:	1,375,000.00
	MATURITY DATE:	15/10/01
	TENOR:	178 † days
	DRAFT NO. 2:	
	AMOUNT:	1,375,000.00
	MATURITY DATE:	15/04/02
	TENOR:	360 † days
	DRAFT NO. 3:	
	AMOUNT:	1,375,000.00

MATURITY DATE: 10/10/02
 TENOR: 538 † days

DRAFT NO. 4:
 AMOUNT: 1,375,000.00
 MATURITY DATE: 08/04/03
 TENOR: 718 † days

Payment Domicile: Bank of China, Shanghai
 Calendar used in days calculation UK
 (country)
 DESTINATION OF SHIPMENT Shanghai

Terms of Offer

TERMS OF OFFER

Type of calculation: ☒ Trade finance discount methods:
☒ DISCOUNT-TO-YIELD (DTY)
☒ Compounded semi-annually

Interest rate to be discounted (Price): ☒ Guideline

Interest Guideline / offered: ☒ Libor + 1.375 % p.a.

LIBOR Options: ☒ Libor fixing 2 days before disbursement

INTEREST BASIS : ☒ 365 days over 360 days

DAYS OF GRACE: 0 DAYS

DAYS OF GRACE:

Due to trade finance practitioners' historical experience of delays in repayments and settlement procedures with certain countries and/ or guaranteeing banks, the practice of anticipating these delay and factoring them into the discounting developed and these days are known as "days of grace." They are added to the final maturity and thereby discounted in advance whether actual or not.

Payment Maximum 21 days from Sale/Purchase MATCH
 Settlement Period:

Next

† April 20, 2001 was utilized as the calculation date in this transaction

Flagged Asset meeting Buyer's Criteria - Details

Secondary: BUY : Flagged Asset meeting Buyer's Criteria - Details

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Documentation

Interactive guided process is available under Documents and Procedures.

DOCUMENTATION

(1) Certified True (Conformed) Copy of L/C Issued together with all amendments

Have you, the Negotiating Bank made a Certified True (Conformed) Copy(s) ? ☒ yes [View Seller's Documents](#)

(2) Certified True (Conformed) Copy of a tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank confirming that the documents are in full compliance with the L/C terms and
that USD 1.375.000,00 (amount) is due on 15/10/2001 (dd/mm/yyyy)
that USD 1.375.000,00 (amount) is due on 15/04/2002 (dd/mm/yyyy)
that USD 1.375.000,00 (amount) is due on 10/10/2002 (dd/mm/yyyy)
that USD 1.375.000,00 (amount) is due on 08/04/2003 (dd/mm/yyyy)
(Note: This field expands depending on the number of drafts involved, usually not more than 14 in our case.)

[Do you have this document? ☒ yes]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [View Seller's Documents](#)

(3) Confirmation from you, the Negotiating Bank, that the documents are in full compliance with the L/C terms and
that USD 1.375.000,00 (amount) is due on 15/10/2001 (dd/mm/yyyy)
that USD 1.375.000,00 (amount) is due on 15/04/2002 (dd/mm/yyyy)
that USD 1.375.000,00 (amount) is due on 10/10/2002 (dd/mm/yyyy)
that USD 1.375.000,00 (amount) is due on 08/04/2003 (dd/mm/yyyy)
(Note: This field expands depending on the number of drafts involved, usually not more than 14 in our case.)

[Do you have this document? ☒ yes]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [View Seller's Documents](#)

Either

(4)(a) Bill(s) of Lading evidencing shipment

[Do you have this document? ☒ yes]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [View Seller's Documents](#)

(4)(c) Certified True (Conformed) Copy of Commercial Invoice(s)

[Do you have this document? ☒ yes]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [View Seller's Documents](#)

(4)(d) Certified True (Conformed) Copy(s) of all other underlying shipping documents pertinent to this shipment

[Do you have this document? ☒ no]

(5)(a) Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the L/C to the First Purchaser (who is the Seller) signed by the Exporter and addressed to Negotiating Bank (being the First Purchaser and Seller in this transaction).

[Do you have this document? ☒ yes]

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [<View Seller's Documents>](#)

(5)(b) Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the commercial invoice to the First Purchaser (Seller) signed by the Exporter addressed to Seller (being the Negotiating Bank).

[Do you have this document? ☒ yes]

[Are you using form and content downloaded from GTFNet's Website? ☒ yes ☐ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [<View Seller's Documents>](#)

Select either (6) or (7)

(7) Certified True (Conformed) Copy of the Telex Acceptance of the Draft(s) / Bill(s) Of Exchange in the case of a telex acceptance in lieu of original Draft(s)/Bill(s) of Exchange.

Telex Acceptance of the Draft(s) / Bill(s) Of Exchange:

The Certified True (Conformed) Copy of a tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank stating that the L/C Issuing Bank has accepted the Draft(s)/Bill(s) of Exchange, confirms the amounts due on day/month/year date(s) and that the bank will under no circumstances release the Bill(s) of Exchange to any other party, person or institution other than Exporter and or its assignee(s) and undertakes to pay upon presentation in effective currency at maturity the referenced amounts, without any deductions whatsoever, to the Exporter and or its assignee(s).

[Do you have this document? ☒ yes]

[Are you using form and content downloaded from GTFNet's Website? ☒ yes]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [<View Seller's Documents>](#)

(8) Verification from the Negotiating Bank that Exporter's signature(s) appearing on documentation is/are authentic and the signatory(s) is/are authorised to sign (singly/jointly) on behalf of the Exporter

[Do you have this document? ☒ yes]

[Will you be using form and content downloaded from GTFNet's Website ? ☒ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [<View Seller's Documents>](#)

(9) Do you, the Seller, being the First Purchaser as well as the Negotiating Bank have a Purchase Contract signed with the Exporter? ☒ yes ☐ no

[Have you used form and content downloaded from GTFNet's Website ? ☐ yes ☒ no]

"GTFNet Standard Document"

(10) Certified True (Conformed) Copy of the Letter of Notification from Exporter to Issuing Bank in which the Exporter notifies the L/C Issuing Bank of the assignment of the proceeds to the First Purchaser, who is the Negotiating Bank and the Seller.

[Do you have this document? ☒ yes]

[Will you be using form and content downloaded from GTFNet's Website ? ☒ no]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [<View Seller's Documents>](#)

(11) Certified True (Conformed) Copy of tested telex/SWIFT message from Issuing Bank acknowledging assignment of proceeds in favour of First Purchaser (Second Seller) and agreement to pay the First Purchaser with no deductions.

[Do you have this document? ☒ yes]

[Will you be using form and content downloaded from GTFNet's Website ? ☒ yes]

"GTFNet Standard Document"

Have you, the Negotiating Bank, made a Certified True (Conformed) Copy(s) ? ☒ yes [<View Seller's Documents>](#)

Will you, the Seller, undertake to obtain and deliver the following documentation which is not already in our possession, in the event the Buyer makes the following requests ?

(12) Certified True (Conformed) Copy of the notification from the Seller to L/C Issuing Bank that the Seller has assigned the claim to the Buyer (Second Purchaser). ☒ yes

[Will you send this notification using the form and content downloaded from GTFNet's Website ? ☒ yes]

"GTFNet Standard Document"

(13) (ORIGINAL Draft(s) / Bill(s) of Exchange endorsed without recourse by the Exporter to the order of the Second Seller (First Purchaser) and endorsed by the Second Seller without recourse to the Buyer (being the Second Purchaser)

ORIGINAL DOCUMENT TO BE DELIVERED ☒ no

[Will you be using form and content downloaded from GTFNet's Website ? ☒ no]

"GTFNet Standard Document"

Either

(14)(a) (Certified True (Conformed) Copy of the Telex from the L/C Issuing Bank acknowledging their acceptance of the assignment of the claim(s) by the First Purchaser being the Second Seller and their obligation to pay Irrevocably the Buyer (being the Second Purchaser .) ☒ yes

[Will you make this request using form and content downloaded from GTFNet's Website ? ☒ yes]

"GTFNet Standard Document"

Or

(14)(b) Will you request a *telex Acceptance of the Bill(s) of Exchange* and deliver a Certified True Copy to the Second Purchaser?

Tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank stating that the L/C Issuing Bank has accepted the Draft(s)/Bill(s) of Exchange, confirms the amounts due on 15/10/01, 15/04/02, 10/10/02, 08/04/03 (dates) and the assignment of the claim(s) to the Buyer (being the Second Purchaser) and that the L/C Issuing Bank will under no circumstances release the Bill(s) of Exchange to any other party, person or Institution other than the assignee, the Buyer (being the Second Purchaser) and undertakes to pay upon presentation in effective currency at maturity the referenced amounts, without any deductions whatsoever, to the assignee, the Buyer (being the Second Purchaser.) ☒ yes

[Will you make this request using form and content downloaded from GTFNet's Website ? ☒ yes]

"GTFNet Standard Document"

(15)(a) In the event that the L/C Issuing Bank should refuse to change the payment route established under the L/C, the Negotiating Bank will issue an irrevocable payment instruction to its correspondent in the country of the currency in which the draft and L/C are denominated.

(15)(b) Will this irrevocable payment instruction indicate that upon receipt of the funds, the Correspondent Bank must wire the funds directly to the Second Purchaser and not credit the Negotiating Bank's account.

(15)(c) will you deliver a Certified True(conformed Copy) of this instruction the Buyer (being the Second Purchaser)

[Will you be using form and content downloaded from GTFNet's Website ? ☐ yes ☐ no]
"GTFNet Standard Document"

(16) The Seller, being the First Purchaser and Second Seller will sign a Purchase Contract signed with the Buyer, the Second Purchaser. ☒ yes

[Will you use form and content downloaded from GTFNet's Website ? ☒ yes]
"GTFNet Standard Document"

(17) The First Purchaser, being Second Seller will provide the Buyer, being the Second Purchaser with a current list of authorised signatories of the Second Seller, being the First Purchaser to the Buyer, being the Second Purchaser?

[Do you have this document? ☒ yes]

(18) Will you request custodian services?

☐ no

[<View Seller's Documents>](#)

[View This Offer](#)

[Find Match, Let's Negotiate, Prepare Counteroffer](#) [Accept Offer](#)

The buyer can then decide to accept the offer or negotiate by making a first counter offer against the offer by filling in the following counteroffer document 55. In this counter offer document the buyer indicates that it is willing to negotiate price, terms and conditions by buying three out of the four drafts on the conditions shown. When the document is completed to the buyer's satisfaction it submits it, by clicking the 'Submit Counteroffer' button, and the counter offer is subsequently received by the seller, 56.

Buyer's Active C unteroffers: Asset #1

Secondary: BUY : Buyer's Active Counteroffers : Asset #1 : First C unteroffer

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Response From Buyer Handle: "Joes9"
To Seller Handle: "Harvy3"

"Found Match Let's Negotiate"

Buyer's Active Counteroffers: Asset #1

L/C ISSUING BANK Bank of China
L/C AMOUNT USD 5,500,000.00
MAXIMUM TENOR 720 days

[Latest News](#)[Credit Information](#)[Enhancement Tools](#)

Do you wish to negotiate price/terms?

☒ yes
☐ no

Do you wish to negotiate document terms and conditions?

☒ yes
☐ no

Reminder: There is a GTFNet Transaction Fee to be paid by the Buyer

Please indicate each field to be negotiated.

[In this example, three fields are proposed for negotiation.]

"Found Match Let's Negotiate"

Buyer requests Seller's second offer to Buyer's counteroffer:

[Calculator](#)**1. The Buyer requests the following changes to the terms, does the Seller agree?**Buyer willing to purchase Drafts out of 4 Drafts

☐ yes
☐ no

DRAFT NO. 02:Libor + % p.a.

☐ yes
☐ no

DRAFT NO. 03 :Libor + % p.a.

☐ yes
☐ no

DRAFT NO. 04 :Libor + % p.a.

☐ yes
☐ no

Days of Grace **2. Buyer ☒ requires ☒ modifications to existing documents:**

Document #(8)

Verification FROM THE NEGOTIATING BANK that Exporter's signature
(s) appearing on documentation is/are authentic and the signatory(s)
is/are authorised to sign (singly/jointly) on behalf of the Exporter

☐ Yes
☐ No

Using form and content downloaded from GTFNet's Website?

"GTFNet Standard Document"

☐ Yes
☐ No

3. Buyer ☒ requires additional documents from the Seller.
Will Seller agree to deliver?

In the event that it would not be possible to obtain 14(a)(b), will the Seller agree on a "BEST EFFORTS" basis to obtain 15(a)(b)(c)?

☒ requires

- ☐ Yes
☐ No
☐ BEST EFFORTS

- (14)(a) Telex from the L/C Issuing Bank acknowledging their acceptance of the assignment of the claim by the first Purchaser being the Second Seller and their obligation to pay Irrevocably the Buyer (being the Second Purchaser .)

☒ requires

- ☐ Yes
☐ No
☐ BEST EFFORTS

- (14)(b) A Certified True (Conformed) Copy of a telex Acceptance of the Bills of Exchange and deliver a Certified True copy to the Second Purchaser

☒ requires

- ☐ Yes
☐ No
☐ BEST EFFORTS

- (15)(a) In the event that the L/C Issuing Bank should refuse to change the payment route established under the L/C, the Negotiating Bank will issue an Irrevocable payment instruction to its correspondent in the country of the currency in which the draft and L/C are denominated.

☒ requires

- ☐ Yes
☐ No
☐ BEST EFFORTS

- (15)(b) This irrevocable payment instruction indicate that upon receipt of the funds, the Correspondent Bank must wire the funds directly to the Second Purchaser and not credit the Negotiating Bank's account.

☒ requires

- ☐ Yes
☐ No
☐ BEST EFFORTS

- (15)(c) A Certified True (conformed copy) of this instruction to the Buyer (being the Second Purchaser)

☒ requires

- ☐ Yes
☐ No
☐ BEST EFFORTS

The form and content downloaded from GTFNet's Website is requested
"GTFNet Standard Document"

- ☐ Yes
☐ No

- (16) Buyer ☒ requires New Document : SAFE Approval

- ☐ Yes
☐ No

L/C ISSUING BANK Bank of China
L/C AMOUNT USD 5,500,000.00
MAXIMUM TENOR 720 days

[<View Seller's Documents>](#)

☐ End Transaction ☐ Submit Counteroffer

Reminder: There is a GTFNet Transaction Fee to be paid by the Buyer

Documentation under legal couns I review

The seller then makes a second offer 57 in response to the buyer's first counter offer by filling in another counteroffer document. In this document the seller offers to sell two out of the four drafts, changes the terms, changes the calculations used to arrive at the terms, requests some revised documents
5 and requests some new documents.

When looking at the transactions from the seller's view, as below, one can see at the top of the seller's second offer page the summary of other offers on this receivable that the seller has received. These other offers may be on the remaining drafts and the seller may sell those elsewhere. Multiple
10 negotiations can be carried out simultaneously by one counterparty. The system supports and assists the stripping of these assets into component parts for sale separately.

Match Negotiate Active Files

Secondary: SELL : Match Negotiate Active Files : **Seller's Second Offer : Index**

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Files Listed In Alphabetical Order of Seller Handle

1. Seller Handle:	Harvy3	Buyer Handle:	Joes9	<input checked="" type="radio"/>
2. Seller Handle:	Gudj1	Buyer Handle:	Binto10	<input type="radio"/>
3. Seller Handle:	Mum43	Buyer Handle:	Tjot22	<input type="radio"/>

Match Negotiate Active Files

Secondary: SELL : Match Negotiate Active Files : **Seller's Second Offer**

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Seller Handle: "Harvy3"
Buyer Handle: "Joes9"

Transaction History

Seller's Offer

Buyer's Counteroffer

>> **Seller's Second Offer**

L/C ISSUING BANK	Bank of China
L/C AMOUNT	USD 5,500,000.00
MAXIMUM TENOR	720 days

[Latest News](#)

[Credit Information](#)

[Enhancement Tools](#)

[<View Terms>](#)

[<View Complete Offer>](#)

[<View Seller's Documents>](#)

Match Negotiate Active Files

[Calculator](#)

1. Seller proposes the following changes to Buyer's Counteroffer

Number of Drafts: Buyer Counteroffers to purchase 3 Drafts out of 4 Drafts.

Seller's Offer to sell Drafts out of 4 Drafts.

2. Seller accepts the following terms of Buyers Counteroffer.

Select DRAFT(s): *

DRAFT NO. 1:
AMOUNT: USD 1,375,000.00
MATURITY DATE: 15/10/01
TENOR: 178 days †

☐ Yes

☒ No

DRAFT NO. 02:
AMOUNT: USD 1,375,000.00
MATURITY DATE: 15/04/02
TENOR: 360 days †

Libor + 1.50 % p.a.

☐ Matching Libor for this draft + margin

- ☒ Yes
☐ No

DRAFT NO. 03 :
AMOUNT: USD 1,375,000.00
MATURITY DATE: 10/10/02
TENOR: 538 days +

Libor + 1.675 % p.a.

☒ Matching Libor for this draft + margin

- ☒ Yes
☐ No

DRAFT NO. 04 :
AMOUNT: USD 1,375,000.00
MATURITY DATE: 08/04/03
TENOR: 718 days +

Libor + 1.75 % p.a.

☒ Matching Libor for this draft + margin

DAYS OF GRACE: 4 DAYS

- ☒ Yes
☐ No

Buyer Requests / Requires modifications to existing documents

Seller will deliver modifications to the existing documents:

Document	Modifications	Responses
08. Verification from the Negotiating Bank that Exporter's signature(s) appearing on documentation is/are authentic and the signatory(s) is/are authorised to sign (singly/jointly) on behalf of the Exporter	Require	<input checked="" type="radio"/> Yes <input type="radio"/> No
Using form and content downloaded from GTFNet's Website? <u>"GTFNet Standard Document"</u>	Require	<input checked="" type="radio"/> Yes <input type="radio"/> No

Seller will deliver the additional documents:

Additional Documents

14a. Telex from the L/C Issuing Bank acknowledging their acceptance of the assignment of the claim(s) by the first Purchaser being the Second Seller and their obligation to pay irrevocably the Buyer (being the Second Purchaser .)	Require	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> BEST EFFORTS
14b. A Certified True (Conformed) Copy of a Telex Acceptance of the Bill(s) of Exchange and delivery of a Certified True Copy to the Second Purchaser	Require	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> BEST EFFORTS
15a. In the event that the L/C Issuing Bank should refuse to change the payment route established under the L/C, the Negotiating Bank will issue an Irrevocable payment instruction to its correspondent in the	Require	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> BEST EFFORTS

country of the currency in which the draft and L/C are denominated.

- | | | | |
|------|---|---------|--|
| 15b. | This Irrevocable payment instruction will indicate that upon receipt of the funds, the Correspondent Bank must wire the funds directly to the Second Purchaser and not credit the Negotiating Bank's account. | Require | <input checked="" type="radio"/> Yes
<input type="radio"/> No
<input type="radio"/> BEST EFFORTS |
| 15c. | Seller will deliver a Certified True (Conformed) Copy of this instruction to the Buyer (being the Second Purchaser) | Require | <input checked="" type="radio"/> Yes
<input type="radio"/> No
<input type="radio"/> BEST EFFORTS |
| | Buyer requires SAFE Approval | Require | <input checked="" type="radio"/> Yes
<input type="radio"/> No |

[Reset](#) [Enter Password](#) [Submit](#)

L/C ISSUING BANK Bank of China
 L/C AMOUNT USD 5,500,000.00
 MAXIMUM TENOR 720 days

[<View Terms>](#)
[<View Complete Offer>](#)
[<View Seller's Documents>](#)

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[Credit Information](#)
[Enhancement Tools](#)

Documentation under legal counsel review

† April 20, 2001 was utilized as the calculation date in this transaction

The buyer then makes a second counteroffer 58 as set out below. In this example this second offer is reflecting the terms of the seller's second offer with no deviation, so it is the buyer making an offer on the seller's revised terms of offer. Nevertheless the negotiation process could have gone on for an many rounds as the counterparties would have liked.

Buyer's Active Counteroffers: Asset #1Secondary: BUY : Buyer's Active Counteroffers : Asset #1 : **Second Counter offer**Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Seller Handle: "Harvy3"
Buyer Handle: "Joes9"

Transaction History
 Seller's Offer
 Buyer's Counteroffer
 Seller's Second Offer
 >> **Buyer's Second Counteroffer**

L/C ISSUING BANK Bank of China
 L/C AMOUNT USD 5,500,000.00
 MAXIMUM TENOR 720 days

[Latest News](#)[<View Terms>](#)[Credit Information](#)[<View Complete Offer with up-to-date modifications highlighted>](#)[Enhancement Tools](#)[<View Seller's Documents>](#)**Acceptance of Second Offer**[Calculator](#)

1. Buyer accepts the Seller's Second Offer with no request for change in terms and awaits receipt of the offer confirmation from the Seller that incorporates the following revised terms:

Number of Drafts: Buyer will purchase 2 drafts of 4 drafts.

2. Buyer counter offer revised terms restated :**DRAFT:**

**Buyer
 Responses**

☒ Yes

DRAFT NO. 03 :
AMOUNT: 1,375,000.00
MATURITY DATE: 10/10/02
TENOR: 538 days +

Libor + 1.675 % p.a.

Matching Libor for this draft + margins☒ Yes

DRAFT NO. 04 :
AMOUNT: 1,375,000.00
MATURITY DATE: 08/04/03
TENOR: 718 days +

Libor + 1.75 % p.a.

Matching Libor for this draft + margins**DAYS OF GRACE:**☒ Yes**4 DAYS****Buyer Requests / Requires modifications to existing documents****Seller will deliver modifications to the existing documents:**

Document	Modifications	Responses
08. Verification from the Negotiating Bank that Exporter's signature(s) appearing on documentation is/are authentic and the signatory (s) is/are authorised to sign (singly/jointly) on behalf of the Exporter	Require	<input checked="" type="radio"/> Yes
Using form and content downloaded from GTFNet's Website? <u>"GTFNet Standard Document"</u>	Require	<input checked="" type="radio"/> Yes

Seller will deliver the additional documents:

Additional Documents		
14a. Telex from the L/C Issuing Bank acknowledging their acceptance of the assignment of the claim by the First Purchaser being the Second Seller and their obligation to pay Irrevocably the Buyer (being the Second Purchaser .)	Require	<input checked="" type="radio"/> BEST EFFORTS
14b. A Certified True (Conformed) Copy of a Telex Acceptance of the Bills of Exchange and delivery of a Certified True Copy to the Second Purchaser	Require	<input checked="" type="radio"/> BEST EFFORTS
15a. In the event that the L/C Issuing Bank should refuse to change the payment route established under the L/C, the Negotiating Bank will issue an Irrevocable payment instruction to its correspondent in the country of the currency in which the Draft and L/C are denominated.	Require	<input checked="" type="radio"/> Yes
15b. This Irrevocable payment instruction will indicate that upon receipt of the funds, the Correspondent Bank must wire the funds directly to the Second Purchaser and not credit the Negotiating Bank's account.	Require	<input checked="" type="radio"/> Yes
15c. Seller will deliver a Certified True (Conformed) Copy of this instruction to the Buyer (being the Second Purchaser)	Require	<input checked="" type="radio"/> Yes
16. Buyer requires SAFE Approval	Require	<input checked="" type="radio"/> Yes



L/C ISSUING BANK Bank of China
L/C AMOUNT USD 5,500,000.00
MAXIMUM TENOR 720 days

[<View Terms>](#)
[<View Complete Offer with up-to-date modifications highlighted>](#)
[<View Seller's Documents>](#)

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[Credit Information](#)

[Enhancement Tools](#)

Documentation under legal counsel review

The seller then accepts the second counteroffer 57, and confirms the sale 59 on the following document:

Seller's Confirmation(s) of Sale/Purchase Match(s)

Secondary: SELL : Seller's Confirmation(s) of Sale/Purchase Match(s)

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Seller Handle: "Harvy3"
Buyer Handle: "Joes9"

Transaction History
 Seller's Offer
 Buyer's Counteroffer
 Seller's Second Offer
 Buyer's Second Counteroffer
>> Seller's Confirmation

Seller's confirmation of Sale/Purchase offer with revised terms

We, the first purchaser, Harvy3' confirm the terms and conditions of our sale / your purchase of the payment claims under letter of credit described :

Referenced Transaction: Without recourse financing- China

Seller ref: harvy3
Buyer ref: joes9

Sale from: The First Purchaser /Second Seller
Sale to: The Second Purchaser

ASSET : USD 2,750,000.00 evidenced by two (2) Bills of Exchange accepted by the Bank of China, Shanghai Branch, China (China)

L/C ISSUING BANK (obligor): Bank of China
BRANCH: Shanghai, China
Country: China
Total L/C AMOUNT: USD 5,500,000.00
CURRENCY: US Dollars
Underlying GOODS: Textile Equipment
MAXIMUM TENOR - 720 days: AFTER BILL OF LADING
Tenor remaining: 718 days +
Total NO. OF BILL(S) OF EXCHANGE: 2 (only)
REPAYMENT: SEMIANNUAL
Payment Domicile: Bank of China, Shanghai Branch, China
Total face amount of drafts: USD 2,750,000.00

[Latest News](#)[Credit Information](#)[Enhancement Tools](#)

DRAFT: NO.3
Face AMOUNT: USD 1,375,000.00
MATURITY DATE: 10/10/2002
TENOR: 540 days +

DRAFT: NO.4
AMOUNT: USD 1,375,000.00

MATURITY DATE: 08/04/2003
 TENOR: 720 days +
 Negotiating Bank: To be advised
 Exporter: To be advised
 Importer: To be advised

Reference Calendar for calculation: UK
 Libor rate: fixed at 11:00 AM London two business days before the disbursement of funds
 Discount rate: Discount to Yield compounded semi-annually

Draft No. 3 Matching Libor plus 1.675 pct. p.a. DTY

Draft No. 4 Matching Libor plus 1.75 pct. p.a. DTY

INTEREST BASIS : 365 DAYS OVER 360 DAYS

DAYS OF GRACE 4

DAYS OF GRACE:

Due to trade finance practitioners' historical experience of delays in repayments and settlement procedures with certain countries and/or guaranteeing banks, the practice of anticipating these delays and factoring them into the discounting developed and these days are known as "days of grace." They are added to the final maturity and thereby discounted in advance whether actual or not.

PROCEEDS: USD 2.472.894,80

Offer Expiry: One month from date of Buyer's confirmation Issuance.

Evidenced by:
DOCUMENTATION

(1) Certified True (Conformed) Copy of L/C Issued together with all amendments

(2) Certified True (Conformed) Copy of a tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank confirming that the documents are in full compliance with the L/C terms and that USD 1.375.000,00 (amount) is due on 10/10/2002 (dd/mm/yyyy) and USD 1.375.000,00 (amount) is due on 08/04/2003 (dd/mm/yyyy) .

(3) Confirmation from you, the Negotiating Bank, that the documents fully comply with the L/C terms and that USD 1.375.000,00 (amount) is due on 10/10/2002 (dd/mm/yyyy) USD 1.375.000,00 (amount) is due on 08/04/2003 (dd/mm/yyyy)

(4)(A) Certified True (Conformed) Copy(s) of the Bill(s) of Lading evidencing shipment (by the Negotiating Bank)

(5)(a) Certified True (Conformed) Copy of Commercial Invoice(s) (by the Negotiating Bank)

(5)(b) Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the L/C to the First Purchaser, being the Seller signed by the Exporter and addressed to Negotiating Bank, being the First Purchaser and Seller in this transaction [with form and content downloaded from GTFNet's Website.]
"GTFNet Standard Document"

(5)(c) Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the commercial Invoice to the First Purchaser (Seller) signed by the Exporter addressed to the First Purchaser i.e. Seller (being the Negotiating Bank) [with form and content downloaded from GTFNet's Website.]
"GTFNet Standard Document"

(6) Certified True (Conformed) Copy of the Telex Acceptance of the Bill(s) Of Exchange in lieu of original Bills of Exchange [with form and content downloaded from GTFNet's Website.]
"GTFNet Standard Document"

Telex Acceptance of the Bills Of Exchange:

"the Certified True (Conformed) Copy(s) of a tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank stating that the L/C Issuing Bank has accepted the Bill(s) of Exchange, confirming the amount USD 1.375.000,00 (amount) due on 10/10/2002 (dd/mm/yyyy) and USD 1.375.000,00 (amount) due on 08/04/2003 (dd/mm/yyyy) and that the bank will under no circumstances release the Bill(s) of Exchange to any other party, person or institution other than the Exporter and or its assignee(s) and undertakes to pay upon presentation in effective currency at maturity the referenced amounts, without any deductions whatsoever, to the Exporter and or its assignee(s).

(7) Verification from the Negotiating Bank that the Exporter's signature(s) appearing on documentation is/are authentic and the signatory(s) is/are authorised to sign (singly/jointly) on behalf of the Exporter [with form and content downloaded from GTFNet's Website.]

"GTFNet Standard Document"

(8) Certified True (Conformed) Copy(s) made by the Negotiating Bank, being the Seller of its Current list of authorised signatories.

"GTFNet Standard Document"

(9) Certified True (Conformed) Copy of the letter of notification from Exporter to the L/C Issuing Bank in which the Exporter notifies the L/C Issuing Bank of the assignment of the proceeds to the First Purchaser, being the Negotiating Bank and the Seller. [With the form and content identical to that scanned and submitted with the original Seller's offer.]

"GTFNet Standard Document"

(10) Certified True (Conformed) Copy of tested telex/SWIFT message, [with form and content downloaded from GTFNet's Website,] from the L/C Issuing Bank acknowledging the assignment of proceeds in favour of First Purchaser (Seller) and undertaking to pay the First Purchaser upon presentation in effective currency at maturity the referenced amounts, without any deductions whatsoever.

"GTFNet Standard Document"

(11) Certified True (Conformed) Copy of the notification from the Seller to L/C Issuing Bank that the Seller has assigned the claim(s) to the Buyer (Second Purchaser), [with form and content downloaded from GTFNet's Website.]

"GTFNet Standard Document"

(12) Certified True (Conformed) Copy of tested telex/SWIFT message, [with form and content downloaded from GTFNet's Website,] from the L/C Issuing Bank acknowledging the assignment of the claim(s) in favour of the Buyer, being the Second Purchaser and undertaking irrevocably to pay the Buyer, being the Second Purchaser, upon presentation in effective currency at maturity the referenced amounts, without any deductions whatsoever. The Seller will on a best efforts basis obtain the telex/swift message with the content for this telex/SWIFT message downloaded from GTFNet's Website.

"GTFNet Standard Document"

(13) In the event that the L/C Issuing Bank should refuse to change the payment route established under the L/C [Item (12) hereinabove], the Negotiating Bank will issue an Irrevocable payment instruction to its correspondent in the country of the currency in which the Draft and L/C are denominated. This Irrevocable payment instruction WILL indicate that upon receipt of the funds, the Correspondent Bank must wire the funds directly to the Second Purchaser and not credit the Negotiating Bank's account. A Certified True (Conformed) Copy of this instruction will be delivered to the Buyer (being the Second Purchaser) [with form and content downloaded from GTFNet's Website or in any case acceptable to the Second Purchaser.]

"GTFNet Standard Document"

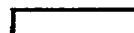
(14) Signed Purchase Contract between the Second Seller, being the First Purchaser, and the Buyer, the Second Purchaser, with form and content downloaded from GTFNet's Website

"GTFNet Standard Document"

(15) The Option for custodian services is retained by both the Buyer and Seller.

The Seller:

Agreed and Accepted by



The Buyer

(Digital Signature –proposed technology—Id ntrus, Entrust, Verisign depending on relevant jurisdiction e.g. Entrust for Singapore)

Enter Password
Send Confirmation

<View Seller's Documents>

Documentation under legal counsel review

† April 20, 2001 was utilized as the calculation date in this transaction

Then the buyer confirms the sale 59 on the following document:

Buyer's Confirmation(s) of Sale/Purchase Match(s)

Secondary: BUY : Buyer's Confirmation(s) of Sale/Purchase Match(s)

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Seller Handle: "Harvy3"
Buyer Handle: "Joes9"

Transaction History
 Seller's Offer
 Buyer's Counteroffer
 Seller's Second Offer
 Buyer's Second Counteroffer
 Seller's Confirmation
 >> Buyer's Confirmation

Buyer's confirmation of Sale/Purchase offer with revised terms

Buyer Handle: "Joes 9" confirmation of purchase to Seller, Handle: "Harvy 3's" This confirmation sets forth the terms and conditions of your, Harvy3's sale/ our, Joes9's purchase of the following transaction subject to the original documentation being acceptable to us in form and substance and set forth below.

Referenced Transaction: Without recourse financing- China

Buyer ref: joes9

Seller ref: harvy3

Sale from: The First Purchaser /Second Seller

Purchase by: The Second Purchaser

ASSET : USD 2,750,000.00 evidenced by two (2) Bills of Exchange accepted by the Bank of China, Shanghai Branch, China

L/C ISSUING BANK (obligor): Bank of China

BRANCH: Shanghai

Country: China

Total L/C AMOUNT: USD 5,500,000.00

CURRENCY: US Dollars

Underlying GOODS: Textile Equipment

MAXIMUM TENOR - 720 days AFTER BILL OF LADING

Tenor remaining 718 days †

Total NO. OF BILL(S) OF EXCHANGE 2 (only)

REPAYMENT SEMIANNUAL

Payment Domicile: Bank of China, Shanghai Branch, China

Total face amount of drafts: USD 2,750,000.00

DRAFT: NO.3

Face AMOUNT: USD 1,375,000.00

MATURITY DATE: 10/10/2002

TENOR: 540 days †

DRAFT: NO.4

AMOUNT: USD 1,375,000.00

MATURITY DATE: 08/04/2003

TENOR: 720 days †

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Negotiating Bank: To be advised
 Exporter: To be advised
 Importer: To be advised
 Reference Calendar for calculation: UK
 Libor rate: Fixed at 11:00 AM London two business days before the disbursement of funds
 Discount rate: Discount to Yield compounded semi-annually
 Draft No. 3 Matching Libor plus 1.675 pct. p.a. DTY
 Draft No. 4 Matching Libor plus 1.75 pct. p.a. DTY
 INTEREST BASIS : 365 DAYS OVER 360 DAYS
 DAYS OF GRACE 4

DAYS OF GRACE:

Due to trade finance practitioners' historical experience of delays in repayments and settlement procedures with certain countries and/ or guaranteeing banks, the practice of anticipating these delays and factoring them into the discounting developed and these days are known as "days of grace." They are added to the final maturity and thereby discounted in advance whether actual or not.

PROCEEDS: USD 2,472,894.80
 Offer Expiry: One month from date of Buyer's confirmation issuance.
 Evidenced by: DOCUMENTATION

(1) Certified True (Conformed) Copy of L/C issued together with all amendments

(2) Certified True (Conformed) Copy of a tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank confirming that the documents are in full compliance with the L/C terms and that USD 1.375.000,00 (amount) is due on 10/10/2002 (dd/mm/yyyy) and USD 1.375.000,00 (amount) is due on 08/04/2003 (dd/mm/yyyy) .

(3) Confirmation from you, the Negotiating Bank, that the documents fully comply with the L/C terms and that USD 1.375.000,00 (amount) is due on 10/10/2002 (dd/mm/yyyy) USD 1.375.000,00 (amount) is due on 08/04/2003 (dd/mm/yyyy)

(4)(A) Certified True (Conformed) Copy(s) of the Bill of Lading evidencing shipment (by the Negotiating Bank)

(5) Certified True (Conformed) Copy of Commercial Invoice(s) (by the Negotiating Bank)

(5)(a) Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the L/C to the First Purchaser, being the Seller signed by the Exporter and addressed to Negotiating Bank, being the First Purchaser and Seller in this transaction [with form and content downloaded from GTFNet's Website.]
"GTFNet Standard Document"

(5)(b) Certified True (Conformed) Copy of the Letter of Assignment of proceeds under the commercial invoice to the First Purchaser (Seller) signed by the Exporter addressed to the First Purchaser i.e. Seller (being the Negotiating Bank) [with form and content downloaded from GTFNet's Website.]
"GTFNet Standard Document"

(6) Certified True (Conformed) Copy of the Telex Acceptance of the Bill(s) Of Exchange in lieu of original Bills of Exchange [with form and content downloaded from GTFNet's Website.]
"GTFNet Standard Document"

Telex Acceptance of the Bill(s) Of Exchange:

The Certified True (Conformed) Copy(s) of a Tested telex/SWIFT message from the L/C Issuing Bank to the Negotiating Bank stating that the L/C Issuing Bank has accepted the Bill(s) of Exchange, confirming the amount USD 1.375.000,00 (amount) due on 10/10/2002 (dd/mm/yyyy) and USD 1.375.000,00 (amount) due on 08/04/2003 (dd/mm/yyyy) and that the bank will under no circumstances release the Bill(s) of Exchange to any other party, person or institution other than the Exporter and or its assignee(s) and undertakes to pay upon presentation in effective currency at maturity the referenced amounts, without any deductions whatsoever, to the Exporter and or its assignee(s).

(7) Verification from the Negotiating Bank that the Exporter's signature(s) appearing on documentation is/are

authentic and the signatory(s) is/are authorised to sign (singly/jointly) on behalf of the Exporter [with form and content downloaded from GTFNet's Website.]

"GTFNet Standard Document"

(8) Certified True (Conformed) Copy(s) made by the Negotiating Bank, being the Seller of its Current list of authorised signatories.

"GTFNet Standard Document"

(9) Certified True (Conformed) Copy of the letter of notification from Exporter to the L/C Issuing Bank in which the Exporter notifies the L/C Issuing Bank of the assignment of the proceeds to the First Purchaser, being the Negotiating Bank and the Seller. [With the form and content identical to that scanned and submitted with the original Seller's offer.]

"GTFNet Standard Document"

(10) Certified True (Conformed) Copy of tested telex/SWIFT message, [with form and content downloaded from GTFNet's Website,] from the L/C Issuing Bank acknowledging the assignment of proceeds in favour of First Purchaser (Seller) and undertaking to pay the First Purchaser upon presentation in effective currency at maturity the referenced amounts, without any deductions whatsoever.

"GTFNet Standard Document"

(11) Certified True (Conformed) Copy of the notification from the Seller to L/C Issuing Bank that the Seller has assigned the claim(s) to the Buyer (Second Purchaser), [with form and content downloaded from GTFNet's Website.]

"GTFNet Standard Document"

(12) Certified True (Conformed) Copy of tested telex/SWIFT message, [with form and content downloaded from GTFNet's Website] from the L/C Issuing Bank acknowledging the assignment of the claim(s) in favour of the Buyer, being the Second Purchaser and undertaking irrevocably to pay the Buyer, being the Second Purchaser, upon presentation in effective currency at maturity the referenced amounts, without any deductions whatsoever. The Seller will on a best efforts basis obtain the telex/swift message with the content for this telex/SWIFT message downloaded from GTFNet's Website.

"GTFNet Standard Document"

(13) In the event that the L/C Issuing Bank should refuse to change the payment route established under the L/C [Item (12) hereinabove], the Negotiating Bank will issue an irrevocable payment instruction to its correspondent in the country of the currency in which the draft and L/C are denominated. This irrevocable payment instruction WILL indicate that upon receipt of the funds, the Correspondent Bank must wire the funds directly to the Second Purchaser and not credit the Negotiating Bank's account. A Certified True (conformed Copy) of this instruction will be delivered to the Buyer (being the Second Purchaser) [with form and content downloaded from GTFNet's Website or in any case acceptable to the Second Purchaser.]

"GTFNet Standard Document"

(14) signed Purchase Contract between the Second Seller, being the First Purchaser, and the Buyer, the Second Purchaser, with form and content downloaded from GTFNet's Website

"GTFNet Standard Document"

(15) The Option for custodian services is retained by both the Buyer and Seller.

This Sale/Purchase MATCH is subject to the presentation of original documents by the Seller that are identical in form and content to the scanned documentation presented in the Seller's offer to the Buyer, excluding documents on which changes have been specifically requested by the Buyer, and that are acceptable to the Buyer in form and substance. The validity, construction and enforceability of this Sale/Purchase MATCH shall be governed by the laws of the United Kingdom without giving effect to any conflict in laws principles thereof. Both the Seller and Buyer, being the Second Purchaser, agree to irrevocably submit to the non-exclusive jurisdiction of the courts sitting in the United Kingdom in any action to enforce the provisions of the Sale/Purchase MATCH and to waive any defence of forum non-convenience in any proceeding commenced in the United Kingdom in relation to this Sale/Purchase MATCH.

The Buyer:

Agreed and Accepted by


The Seller

(Digital Signature –proposed technology—Identrus, Entrust, Verisign depending on relevant jurisdiction e.g. Entrust for Singapore)




[<View Seller's Documents>](#)

Documentation under legal counsel review

† April 20, 2001 was utilized as the calculation date in this transaction

The parties then agree to the terms of the sale subject to verification of hard copy documents being in accordance with the scanned or faxed documents. After confirmation of payment obligations the system discloses
5 the counterparties identities to each other on the following identity disclosure document:

Identity Disclosure Document

Secondary: Documents & Procedures : Identity Disclosure Document

Disclaimer: The names and identities of counterparties and transactions utilized in the sample transaction are in no way similar to or representative of actual transactions or counterparties and are for demonstration purposes only.

Identity Disclosure

This page is generated by Global Trade Finance Network™ ("GTFNet") System, and is confirmation by Seller and Buyer of a **complete Sale/Purchase MATCH**.

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GTFNet hereby notifies the Seller and the Buyer that
(a) upon the signing of this confirmation by the Seller and the Buyer,
(b) the counterparties' names shall be disclosed to each other and a counterparty evaluation period shall commence.

At the expiry of such counterparty evaluation period, which is **Identity Disclosure date (dd/mm/yyyy)† + 24 hours (GMT)**, GTFNet's Sale/Purchase MATCH is consummated and fee will be due and payable.

The validity, construction and enforceability of this Sale/Purchase MATCH shall be governed by the laws of the United Kingdom without giving effect to any conflict in laws principles thereof. The Seller, Buyer, and GTFNet agree to irrevocably submit to the non-exclusive jurisdiction of the courts sitting in the United Kingdom in any action to enforce the provisions of the MATCH and to waive any defence of forum non-convenience in any proceeding commenced in the United Kingdom in relation to this Sale/Purchase MATCH.

Buyer states hereby in writing:

"We (the Buyer) confirm our Purchase as per GTFNet's document "Buyer's Confirmation of the Sale/Purchase MATCH" of the sale offer by the Seller as per GTFNet's document "Seller's Confirmation of the Sale/Purchase MATCH".

We the Buyer accept the documents subject only to the presentation and inspection of original documents from the Seller, that they are identical in form and content to the scanned documents presented in the Seller's offer to the Buyer, excluding documents on which changes have been specifically requested by the Buyer, and that they are acceptable in substance.

Digital Signature

(proposed technology depending upon jurisdiction - Identrus, Verisign, Entrust)

And

Seller states hereby in writing :

"We (the Seller) accept the Buyer's confirmation of Purchase as per GTFNet's document "Buyer's Confirmation of the Sale/Purchase MATCH" of our sale offer as per GTFNet document "Seller's Confirmation of the Sale/Purchase MATCH".

We, the Seller will deliver the original documents defined and described in the abovereferred GTFNet's documents, being the Seller's offer and the Buyer's confirmation of purchase respectively. We understand this sale is subject only to the inspection of original documents by the Buyer, that the documents are identical in form and content to the scanned documents presented in the Seller's offer to the Buyer, excluding documents on which changes have been specifically requested by the Buyer, and that are acceptable to the Buyer in form and substance.

Digital Signature

(proposed technology depending upon jurisdiction - Identrus, Verisign, Entrust)

The counterparty names are disclosed to each other as follows:

"Middle Eastern Regional Bank Ltd"
(Seller) (Harvy3)

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"The UK Bank Ltd"
(Buyer) (Joes9)

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The Buyer's "counterparty evaluation period" has commenced. The Buyer has herewith the right to notify Seller Handle Harvy 3 no later than Identity Disclosure date (dd/mm/yyyy)† + 24 hours (GMT) in the event the Buyer does not wish to proceed with the transaction due exclusively and singularly to the unacceptability of Seller Handle "Harvy 3" as a counterparty. If the Buyer Handles "Joes 9" has not sent a message before Identity Disclosure date (dd/mm/yyyy)† + 24 hours (GMT) then GTFNet's Sale/Purchase MATCH will have been concluded and transaction fee due and payable. Documents described in aforesaid drafts will be delivered by Seller Handle "Harvy 3" to Buyer Handle "Joes 9" against payment.

Acceptance or Rejection of the Option for Custodian services

Buyer - Requires settlement via custodian ☐ yes ☒ no

Seller - Requires settlement via custodian ☐ yes ☒ no

The custodian for Seller Handle Harvy 3 and Buyer Handle Joes 9 is

[Name of Custodian] / None.

Acceptance or Rejection of the Option for Escrow services

Buyer - Requires settlement via escrow ☐ yes ☒ no

Seller - Requires settlement via escrow ☐ yes ☒ no

The escrow for Seller Handle Harvy 3 and Buyer Handle Joes 9 is

[Name of Escrow] / None.

Referenced Transaction: Without recourse financing- China

Buyer ref: joes9

Seller ref: harvy3

Sale from: The First Purchaser /Second Seller

Purchase by: The Second Purchaser

ASSET : USD 2,750,000.00 evidenced by two (2) Bills of Exchange accepted by the Bank of China, Shanghai Branch, China (China)

Total face amount of drafts USD 2,750,000.00

DRAFT NO. 3 :
AMOUNT: 1,375,000.00
MATURITY DATE: 10/10/2002
TENOR: 540 days†

DRAFT NO. 4 :
AMOUNT: 1,375,000.00
MATURITY DATE: 08/04/2003
TENOR: 720 days†

If the Buyer Handle Joes 9 has not sent a message before 0900 hrs GMT on (dd/mm/yyyy) † GTFNet will notify Buyer and Seller that documents can be delivered for closing and settlement along with counterparty contact detail information is provided.

The system generates a Transaction number ### cbabs0101

Transaction cbabs0101 Fee Payment

(Message generated by GTFNet system and Send to Buyer at the expiry of the Counterparty Evaluation Period)

Buyer Handle Joes 9 "The UK Bank Ltd", London UK undertakes to pay a sum of USD xxxxx being yyyy pct. p.a. of the draft amounts to Global Trade Finance Network™ Ltd promptly upon presentation of an invoice in this amount by Global Trade Finance Network™ Ltd and in any case no later than (date, 30 days after calculation date)† by wire transfer to (Name of correspondent in USD / effective currency) for further credit to the account of (Name of GTFNet's Bank) for credit to account number.....of GTFNet.

In the event the Buyer Handle Joes 9 "The UK Bank Ltd", London UK has chosen not to proceed with the transaction, Buyer Handle Joes 9 "The UK Bank Ltd", London UK undertakes to pay a sum of USD zzzz being the administrative fee to Global Trade Finance Network™ Ltd by remitting the same by wire transfer to (Name of correspondent in USD / effective currency) for further credit to the account of (Name of GTFNet's Bank) for credit to account number.....of GTFNet promptly upon presentation of an invoice in this amount by Global Trade Finance Network™ Ltd and in any case no later than (date, 30 days after calculation date)†.

Acknowledged and Agreed

The Buyer

Digital Signature

(proposed technology depending upon jurisdiction - Identrus, Verisign, Entrust)



Documentation under legal counsel review

† April 20, 2001 was utilized as the calculation date in this transaction

Although the invention has been described with reference to one particular transaction structure and by way of one example, it should be appreciated that it may be implemented for many trade (debt) receivable transaction structures and in many other ways.

5 Although the parties may trade anonymously a great deal of information can be known about them by their counter party, particularly financial information such as credit ratings may be made available via the exchange.

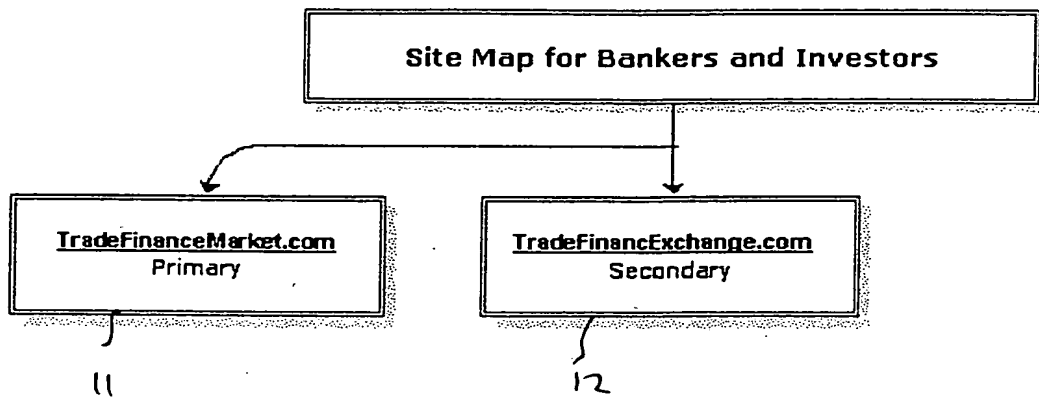
10 It will be appreciated by persons skilled in the art that numerous variations and/or modifications may be made to the invention as shown in the specific embodiments without departing from the spirit or scope of the invention as broadly described. The present embodiments are, therefore, to be considered in all respects as illustrative and not restrictive.

Dated this twelfth day of December 2001

Global Trade Finance Network
Patent Attorneys for the Applicant:

F B RICE & CO

Site Map



10 ↗

Fig. 1

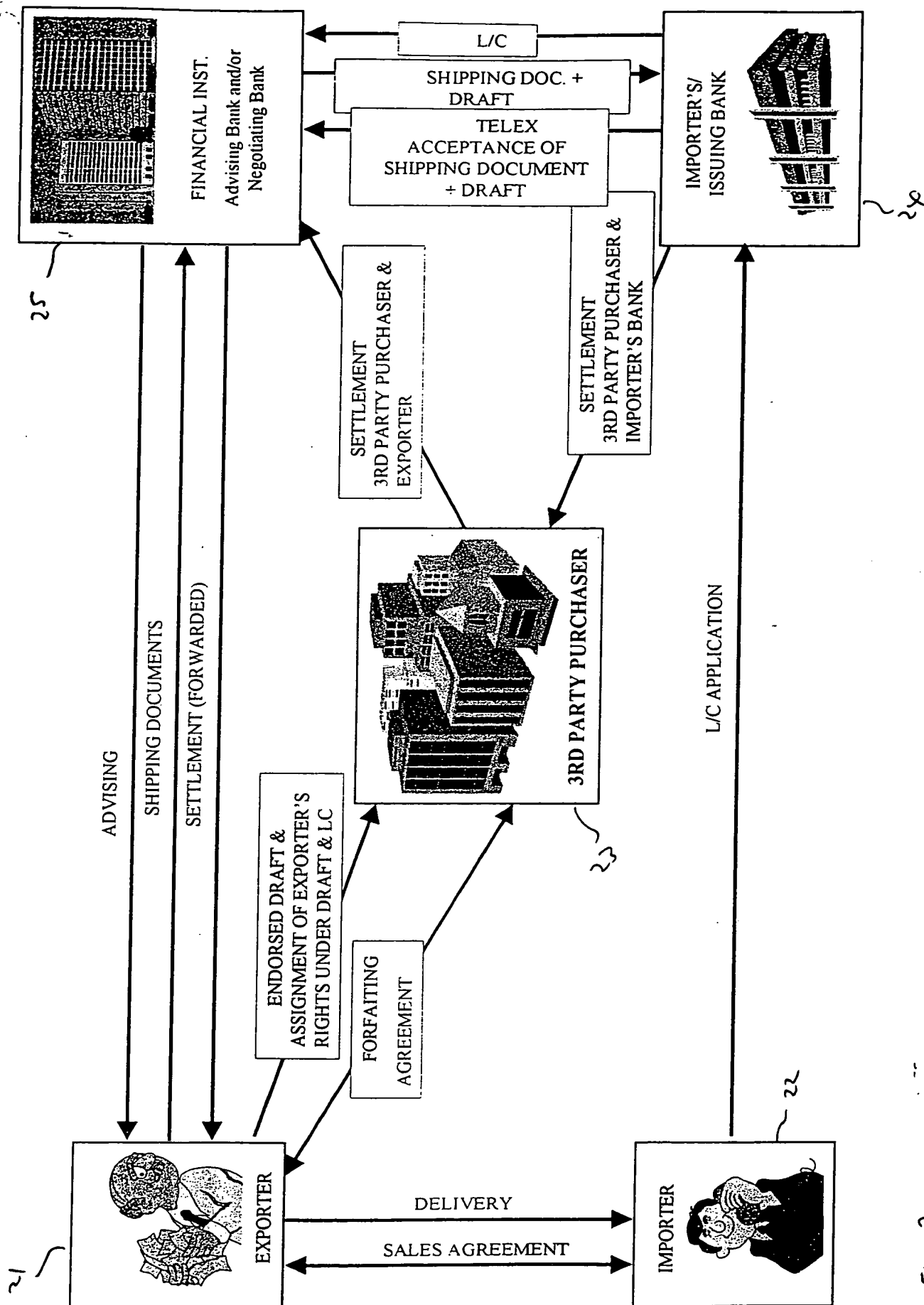


Fig. 2

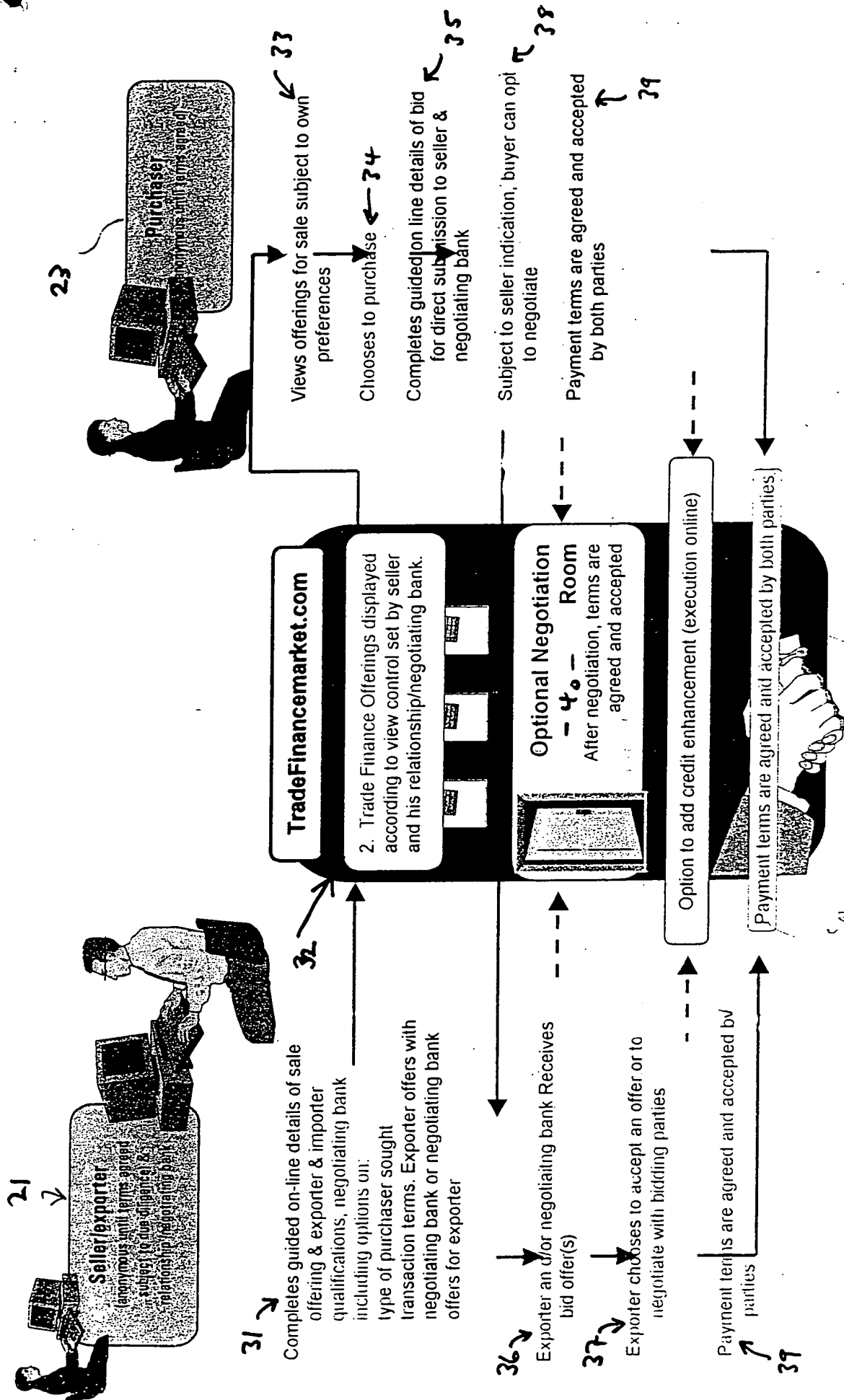


Fig. 3

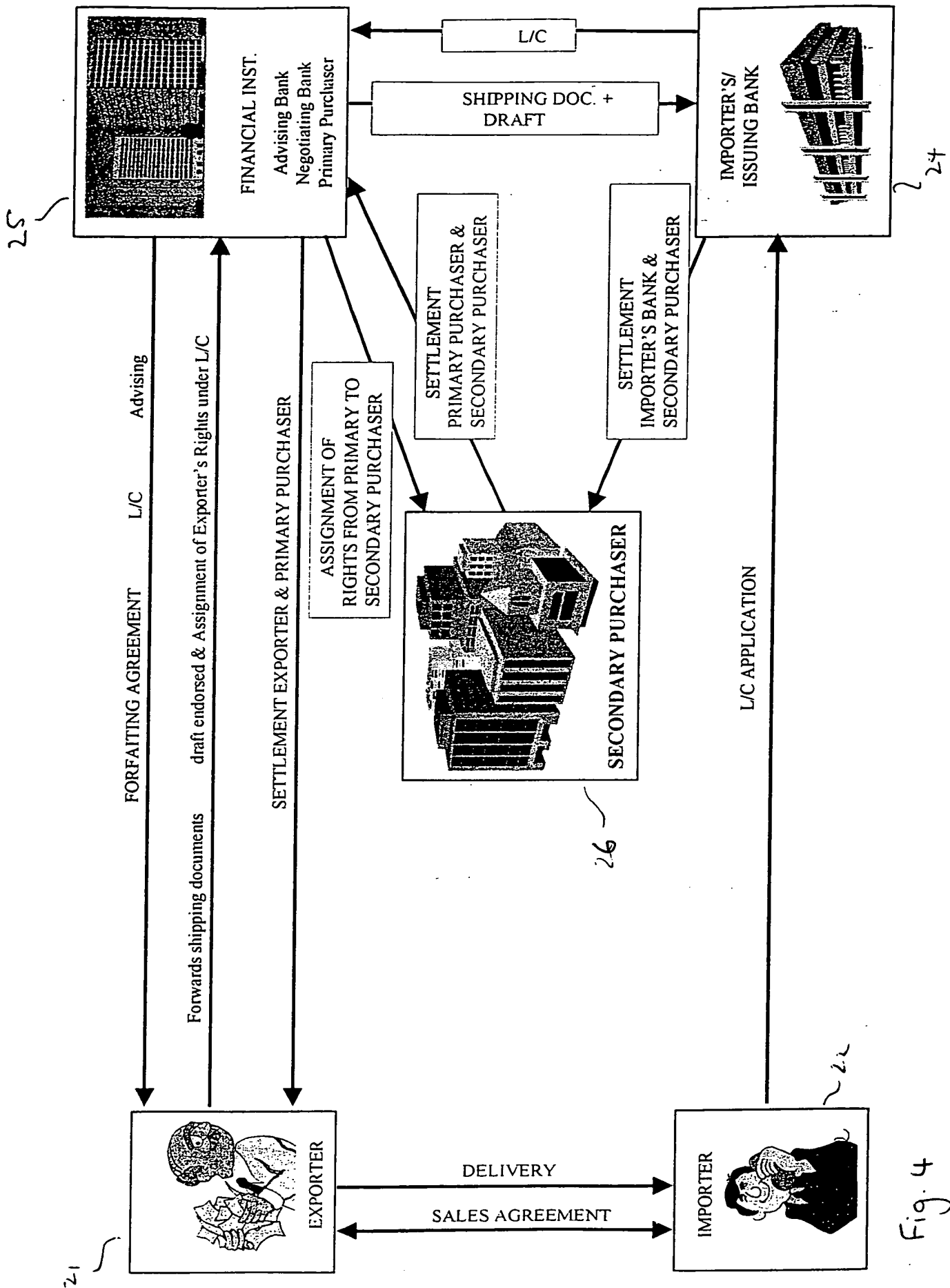


Fig. 4

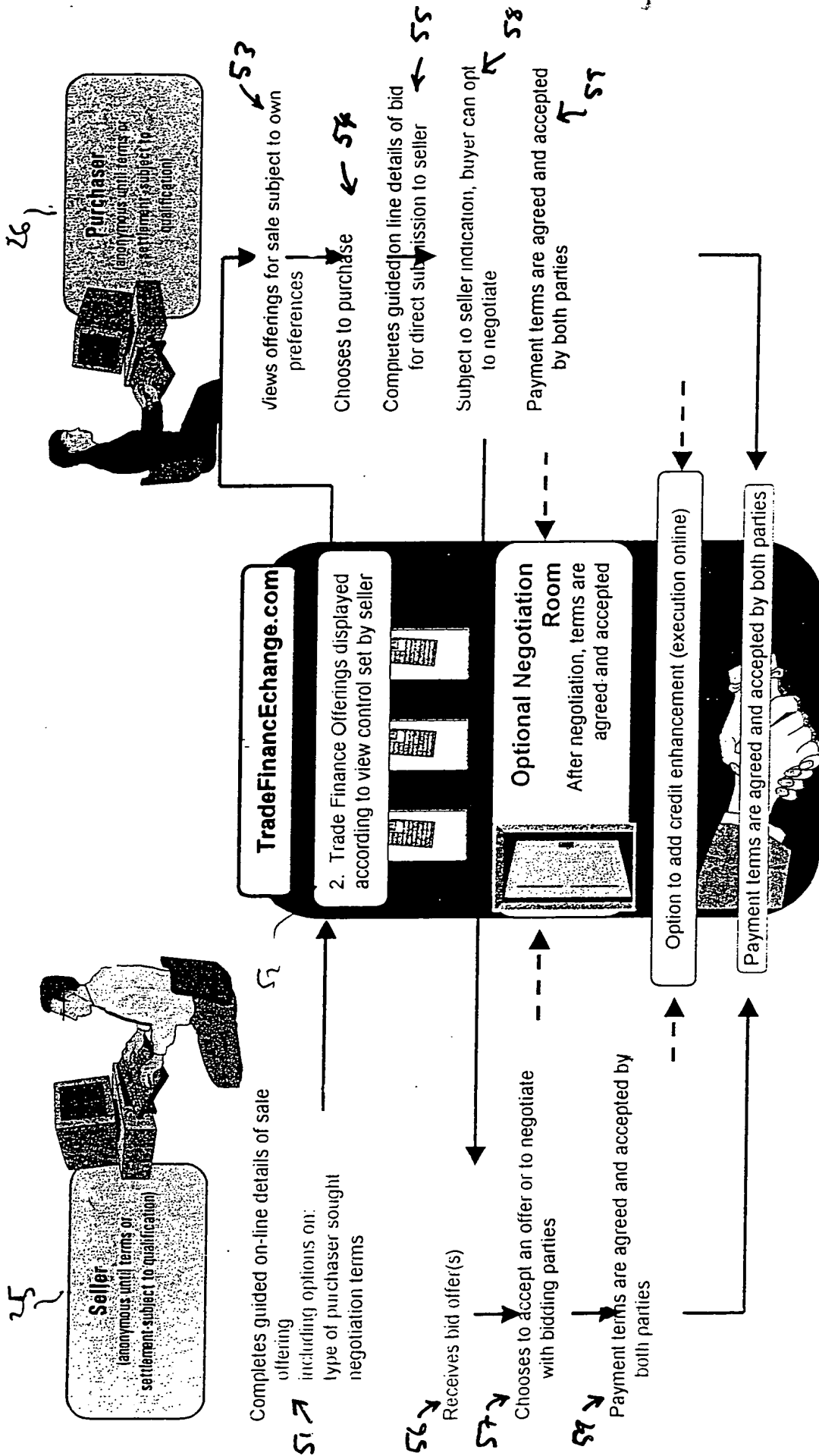


fig. 5